



# Request for Proposal **06-X-38314**

**For: Third Party Services: Fiscal and Support Services, Cash and Counseling Program**

Event	Date	Time
<b>Bidder's Electronic Question Due Date</b> (Refer to <a href="#">RFP Section 1.3.1</a> for more information.)	11/10/2005	4:00 PM
<b>Mandatory Pre-bid Conference</b> (Refer to <a href="#">RFP Section 1.3.3</a> for important details about the new electronic bid option.)	Not Applicable	Not Applicable
<b>Mandatory Site Visit</b> (Refer to <a href="#">RFP Section 1.3.2</a> for more information.)	Not Applicable	Not Applicable
<b>Bid Submission Due Date</b> (Refer to <a href="#">RFP Section 1.3.5</a> for more information.)	12/1/2005	02:00 PM

Dates are subject to change. All changes will be reflected in Addenda to the RFP posted on the Division of Purchase and Property website.

Set-Aside Small Business (Refer to <a href="#">RFP Section 4.4.1.8</a> for more information.)	Status	Category
	<input type="checkbox"/> Not Applicable	<input checked="" type="checkbox"/> I
	<input type="checkbox"/> Entire Contract	<input checked="" type="checkbox"/> II
	<input checked="" type="checkbox"/> Subcontracting Only	<input checked="" type="checkbox"/> III

RFP Issued By

State of New Jersey  
Department of the Treasury  
Division of Purchase and Property  
Trenton, New Jersey 08625-0230

Using Agency

State of New Jersey  
Department of Human Services  
Division of Disability Services  
Personal Preference Program

Date: October 13, 2005

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## 1.0 INFORMATION FOR BIDDERS

### 1.1 PURPOSE AND INTENT

This Request for Proposal (RFP) is issued by the Purchase Bureau, Division of Purchase and Property, Department of the Treasury, on behalf of the State of New Jersey, Department of Human Services (DHS).

The purpose of this RFP is to solicit bid proposals to engage a contractor for the performance of certain services, including both fiscal and counseling services, related to the New Jersey Cash and Counseling Program, also known as the New Jersey Personal Preference Program (Program), in DHS, Division of Disability Services.

The expected services are described in RFP Section 3.0 (Scope of Work).

The intent of this RFP is to award a contract to that responsible bidder whose bid proposal, conforming to this RFP, is most advantageous to the State, price and other factors considered.

The NJ Standard Terms and Conditions, located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml> will apply to all contracts or purchase agreements made with the State of New Jersey. These terms are in addition to the terms and conditions set forth in this RFP and should be read in conjunction with same unless the RFP specifically indicates otherwise.

### 1.2 BACKGROUND

1.2.1 The Program uses the concept of consumer direction. Consumer-directed services allow Medicaid recipients to hire individuals to provide care. The Program allows elderly and disabled Medicaid recipients to direct and manage their personal care services through access to a monthly cash allowance. Program Participants hire domestic household employees to perform services that include, but are not limited to, bathing, dressing, personal and oral hygiene, grocery shopping, housekeeping and meal preparation. Program Participants may also use the cash allowance to purchase special equipment, home modifications and technologies that will assist the Program Participant with the activities of daily living. The difference between this Program and other assistance programs is that in this program it is the Program Participant who decide how their services will be delivered. The Program Participants decide how they will spend their cash allowance by hiring their own domestic household employees and determining what type of work their employees perform and what items are purchased with the cash grant. Other programs do not allow this type of flexible self-direction based on the Program Participant's personal choices.

The contractor will offer assistance in understanding the program, managing their financial responsibilities under the Program and paying their domestic household employees. The counseling portion of the Program includes orienting, training, and explaining the Program to the Program Participants. The contractor will also provide an on-going access to counselors who will offer guidance and support and answer the Program Participant's questions during the term of the contract. The fiscal responsibilities of the of the contractor under the Program include, but are not limited to, obtaining the monthly cash grant from DHS on behalf of the Program Participants, setting up accounts for the Program Participants, setting up the payroll, procedures for paying non-labor items, establishing tax and benefit records needed to establish individuals as the domestic household employees of the Program Participants and paying the domestic household employees on behalf of the Program Participants. The fiscal work also includes maintaining all the tax, benefit, payroll and other payment records on behalf of the Program Participants.

1.2.2 The Cash and Counseling Program started in 1999 as a demonstration project. New Jersey was one of three states that participated in the federal demonstration which was sponsored by the Robert Wood Johnson Foundation. New Jersey named its version of the Federal Cash and Counseling Program, the Personal Preference Program, New Jersey's Cash and Counseling Demonstration Program. The purpose of the demonstration project was to experiment with the concept of consumer direction by providing cash grants to Medicaid-eligible persons (Program Participants) to direct their own personal care services. The size of the cash grant is determined by the Program based on the current New Jersey Medicaid personal care assistant (PCA) reimbursement rates. As part of the demonstration, a control group was established to receive services in a traditional manner from provider agencies. Comparing the population of Program Participants that received the cash grants under the Cash and Counseling program with the control group was the basis for determining the success or failure of the Cash and Counseling demonstration project.

The demonstration program divided the services provided to Program Participants into two separate components. The first component was a contract with a FISO to perform all the financial components of the Program on behalf of the Program Participants. This contractor acts as the fiscal agent for the Program Participants. The contractor handles all the paperwork related to establishing the Program Participant as the employer of the Program Participant's domestic household employees. This contractor performs all record keeping and reporting to the federal and State agencies as well as submitting financial records to the Program office. The initial contract was awarded to Community Access Unlimited, Inc. (CAU) and CAU is permitted to bid on this replacement contract.

Counseling is the second component of this program. The counseling agencies provide a support service to the Program Participants, which include explaining the program to the Program Participants, training Program Participants on their role as employer, assisting the Program Participants with the preparation of their initial cash management plan (CMP), and providing continuous support services to the Program Participants over the life of the contract. As initially instituted, the counseling portion of the program was handled by a variety of public and private organizations throughout the State with each organization providing counseling services to designated groups of Program Participants. CAU was not allowed to be a counseling agency as the demonstration project was originally constituted.

The Program has evolved over the last several years. In 2002, the Robert Wood Johnson Foundation ended its financial participation in the demonstration. In mid-contract, the division of responsibility between the provider of fiscal services and the counseling services was amended and CAU was allowed to provide counseling services to a portion of the Program Participants in addition to its fiscal agent duties for all the Program Participants. Due to the success of the combined program, this replacement contract is intended to be awarded to one contractor to perform all fiscal and counseling services for all Program Participants. All the various counseling agencies will cease performing counseling services and the counseling services for all the Program Participants will be performed by the new contractor.

The number of Program Participants in the Program has varied over the term of the current contract. It was originally projected that there would be approximately 1,000 persons receiving services under the Program, however, in July 2002, the Program ceased to enroll new Program Participants and the total number of persons participating has diminished to approximately 350 currently. It should be noted that the actual number of Program Participants will always vary as Program Participants are added to or others leave the program. However, it is anticipated that the population of Program Participants will grow over the term of this contract, because for one the demonstration aspect of the Program is coming to a close and there will no longer be a need for a control group. It is anticipated that the control group program will end at approximately the same time that this contract is awarded. Further, at that time, it is anticipated that enrollment in the Program will open to new Program Participants. Exact dates or estimates of exact numbers of additional Program Participants can not be given because active enrollments depend on the desire of individuals to enroll, the cash grants allocated to them and funding provided by Medicaid.

Persons age 18 and older with disabilities that are eligible to receive from Medicaid, assistance services from a domestic household employee are eligible to voluntarily participate in the Program. A cash grant is awarded to the Program Participant based on a formula. The formula includes an estimate of the number of domestic household employee hours that are needed by the Program Participant to live at home. The cash grant may be used for labor and non-labor expenditures, subject to approval by the Program. All Program Participants are required to use the services of the contractor for fiscal and counseling services. The program is available to eligible Program Participants throughout the State of New Jersey in all twenty-one (21) counties.

### 1.3 ADDITIONAL INFORMATION

a) Program Participants receive grant money from Medicaid that is sent to the fiscal agent in one lump sum on a monthly basis. The fiscal agent allocates 10 percent of the grant money to an administrative account. The remainder is allocated to individual accounts for Program Participants. The State intends for payment to the contractor for its services to be paid from the administrative account with only incidental amounts being paid directly by Program Participants. Direct payments by Program Participants to the contractor are to be kept to a minimum.

b) The average cash grant per month per Program Participant is approximately \$1,525.

c) It is estimated that there are approximately 1.2 employees per Program Participant.

d) There are approximately 200 individuals from the original control group who have indicated a desire to enter the Program and there are approximately 700 on a waiting list for an estimated 900 individuals waiting to get into the Program.

e) Current Personal Care Assistant (PCA) individuals reimbursement rates are \$15.50 per hour for weekday care and \$16.00 per hour for weekend and holiday care.

f) Following is a recent breakdown of Program Participants by county. This is provided to give bidders an indication of the geographic mix of the Program Participant population and is not a guarantee of any future mix as the population changes.

Atlantic - 5  
Bergen - 39  
Burlington - 16  
Camden - 17  
Cape May - 0  
Cumberland - 7  
Essex - 86  
Gloucester - 1  
Hudson - 84  
Hunterdon - 2  
Mercer- 11  
Middlesex -25  
Monmouth - 12  
Morris - 9  
Ocean - 8  
Passaic - 21



Salem - 0  
Somerset - 5  
Sussex - 0  
Union - 36  
Warren - 0  
Total – 396\*

\* This number is the total number of Program Participants at the time the geographic mix was established and is not intended to represent the current or future population of the Program.

g) Currently, there are approximately 350 Program Participants. It is anticipated that the Program will grow by approximately 30 Program Participants per month for the first two (2) years of the contract and by 20 Program Participants per month in the last year of the contract. This yields an estimated total population of 1260 Program Participants by the end of the third contract year.

h). There are no minimum qualifications for counselors other than counselors must successfully complete a mandatory State training program.

i) CMPs are typically revised three (3) times per year on average.

j) The contractor shall not provide nursing supervision.

k). While the contractor may provide up to 20 hours of counseling each year for each Program Participant, it is estimated that approximately 14.5 hours are actually used by each Program Participant each year.

l) Currently, no insurance company will voluntarily underwrite Worker's Compensation Insurance for domestic household employees hired by Program Participants. Thus, for every employee, that needs coverage, the fiscal agent, on behalf of the Program Participant, shall apply to three (3) insurance companies and request a Worker's Compensation Insurance policy. Once rejected by all three (3) insurance companies, the fiscal agent can apply to the Compensation Rating and Inspection Bureau (Bureau) in the Department of Banking and Insurance. The Bureau will then assign the Program Participant to a Worker's Compensation Insurance provider.

### 1.3 KEY EVENTS

#### 1.3.1 ELECTRONIC QUESTION AND ANSWER PERIOD

It is the policy of the Purchase Bureau to accept questions and inquiries from all potential bidders electronically via web form. To submit a question, please go to the Quicklinks Q&A button on the Advertised Solicitation, Current Bid Opportunities webpage <http://ebid.nj.gov/QA.aspx>.

After the submission of bid proposals, unless requested by the State, contact with the State is limited to status inquiries only and such inquiries are only to be directed to the web form. Any further contact or information about the proposal to the buyer or any other State official connected with the solicitation will be considered an impermissible supplementation of the bidder's bid proposal.

##### 1.3.1.1 QUESTION PROTOCOL

Questions should be addressed in writing via the procedure set forth above. Questions should be directed to the RFP by the writer and questions should be asked in consecutive order, from beginning to end, following the organization of the RFP. Each question should begin by referencing the RFP page number and section number to which it relates.

Bidders shall not contact the Using Agency directly, in person, by telephone or by email, concerning this RFP.

#### 1.3.1.2 CUT-OFF DATE FOR QUESTIONS AND INQUIRIES

The cut-off date for questions and inquiries relating to this RFP is **November 10, 2005**. Addenda, if any, to this RFP will be posted to the Purchase Bureau website (see Section 1.4.1. of this RFP for further information.)

#### 1.3.2 MANDATORY SITE VISIT

Not Applicable.

#### 1.3.3 OPTIONAL SITE VISIT

Not Applicable.

#### 1.3.4 MANDATORY PRE-BID CONFERENCE

Not Applicable.

#### 1.3.5 SUBMISSION OF BID PROPOSAL

In order to be considered for award, the bid proposal must be received by the Purchase Bureau of the Division of Purchase and Property at the appropriate location by the required time. You must submit a bid proposal in order to be considered for contract award. **ANY BID PROPOSAL NOT RECEIVED ON TIME AT THE RIGHT PLACE WILL BE REJECTED. THE DATE, TIME AND LOCATION ARE:**

<b><u>DATE:</u></b>	<b>December 1, 2005</b>
<b><u>TIME:</u></b>	<b>2:00 PM</b>
<b><u>LOCATION:</u></b>	<b>BID RECEIVING ROOM - 9TH FLOOR PURCHASE BUREAU DIVISION OF PURCHASE AND PROPERTY DEPARTMENT OF THE TREASURY 33 WEST STATE STREET, P.O. BOX 230 TRENTON, NJ 08625-0230</b>  <b>Directions to the Purchase Bureau can be found on the following website:</b> <a href="http://www.state.nj.us/treasury/purchase/directions.shtml">http://www.state.nj.us/treasury/purchase/directions.shtml</a>

#### 1.3.6 DOCUMENT REVIEW

Not applicable

#### 1.4 ADDITIONAL INFORMATION

##### 1.4.1 REVISIONS TO THIS RFP

In the event that it becomes necessary to clarify or revise this RFP, such clarification or revision will be by addendum.

**ALL RFP ADDENDA WILL BE ISSUED ON THE PURCHASE BUREAU WEB SITE.**

To access addenda the bidder must select the bid number on the purchase bureau bidding opportunities web page at the following address:

**[HTTP://WWW.STATE.NJ.US/TREASURY/PURCHASE/BID/SUMMARY/BID.SHTML.](http://www.state.nj.us/treasury/purchase/bid/summary/bid.shtml)**

**There are no designated dates for release of addenda.** Therefore interested bidders should check the Purchase Bureau "Bidding Opportunities" website on a daily basis from time of RFP issuance through bid opening.

It is the sole responsibility of the bidder to be knowledgeable of all addenda related to this procurement.

#### **1.4.2 ADDENDUM AS A PART OF THIS RFP**

Any addenda to this RFP shall become part of this RFP and part of any contract resulting from this RFP.

#### **1.4.3 ISSUING OFFICE**

This RFP is issued by the Purchase Bureau, Division of Purchase and Property.

#### **1.4.4 BIDDER RESPONSIBILITY**

The bidder assumes sole responsibility for the complete effort required in this RFP. No special consideration shall be given after bids are opened because of a bidder's failure to be knowledgeable of all the requirements of this RFP. By submitting a bid proposal in response to this RFP, the bidder represents that it has satisfied itself, from its own investigation, of all the requirements of this RFP.

#### **1.4.5 COST LIABILITY**

The State assumes no responsibility and bears no liability for costs incurred by bidders before the award of the contract resulting from this RFP.

#### **1.4.6 CONTENTS OF BID PROPOSAL**

Subsequent to bid opening, all information submitted by bidders in response to the bid solicitation is considered public information, except as may be exempted from public disclosure by the Open Public Records Act, N.J.S.A. 47:1A-1 et seq., and the common law. A bidder may designate specific information as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. The State reserves the right to make the determination and shall so advise the bidder. The location in the bid proposal of any such designation should be clearly stated in a cover letter. **The State will not honor attempts by bidders either to designate their entire bid proposal as proprietary and/or to claim copyright protection for their entire proposal.**

All bid proposals, with the exception of information determined by the State to be proprietary, are available for public inspection.

Interested parties can make an appointment with the Purchase Bureau to inspect bid proposals received in response to this RFP.

#### **1.4.7 PRICE ALTERATION**

Bid prices must be typed or written in ink. Any price change (including "white-outs") must be initialed. Failure to do so may preclude an award being made to the bidder.

#### **1.4.8 JOINT VENTURE**

If a joint venture is submitting a bid proposal, the agreement between the parties relating to such joint venture should be submitted with the joint venture's bid proposal. Authorized signatories from each party comprising the joint venture must sign the bid proposal. A separate Ownership Disclosure Form, Affirmative Action Employee Information Report, MacBride Principles Certification, and Business Registration or Interim Registration must be supplied for each party to a joint venture.

## 2.0 DEFINITIONS

The following definitions shall be part of any contract awarded or order placed as result of this RFP.

### 2.1 STANDARD DEFINITIONS

**Addendum** – Written clarification or revision to this RFP issued by the Purchase Bureau.

**All Inclusive Hourly Rate** – Must include all direct and indirect costs including, but not limited to: overhead, fee or profit, clerical support, travel expenses, safety equipment, materials, supplies, managerial support and all documents, forms, and reproductions thereof. Hourly rates also include portal to portal expenses. Time spent in traveling to and from the work site or employee's normal work station should not be included in this rate.

**Amendment** – A change in the scope of work to be performed by the contractor. An amendment is not effective until it is signed by the Director, Division of Purchase and Property.

**Bidder** - An individual or business entity submitting a bid proposal in response to this RFP.

**Contract** - This RFP, any addendum to this RFP, and the bidder's proposal submitted in response to this RFP, as accepted by the State.

**Contractor** - The contractor is the bidder awarded a contract.

**Director** - Director, Division of Purchase and Property, Department of the Treasury. By statutory authority, the Director is the chief contracting officer for the State of New Jersey.

**Division** - The Division of Purchase and Property

**Evaluation Committee** - A committee established by the Director to review and evaluate bid proposals submitted in response to this RFP and to recommend a contract award to the Director.

**Fixed Price** - A price that is all-inclusive of direct cost and indirect costs, including, but not limited to, direct labor costs, overhead, fee or profit, clerical support, equipment, materials, supplies, managerial (administrative) support, all documents, reports, forms, travel, reproduction and any other costs. No additional fees or costs shall be paid by the State unless there is a change in the scope of work.

**May** - Denotes that which is permissible, not mandatory.

**Project** - The undertaking or services that are the subject of this RFP.

**Request for Proposal (RFP)** – This document which establishes the bidding and contract requirements and solicits bid proposals to meet the purchase needs of the using Agencies as identified herein.

**Shall or Must** – Denotes that which is a mandatory requirement.

**Should** - Denotes that which is recommended, not mandatory.

**State Contract Manager** – The individual responsible for the approval of all deliverables, i.e., tasks, sub-tasks or other work elements in the Scope of Work as set forth in Sections 5.2, 5.2.1, 5.2.2 and 5.2.3.

**Subtasks** – Detailed activities that comprise the actual performance of a task.

**State** - State of New Jersey.

**Task** – A discrete unit of work to be performed.

**Using Agency** - The entity for which the Division has issued this RFP and will enter into a contract.

## 2.2 CONTRACT SPECIFIC DEFINITIONS

**Cash and Counseling** - A model for delivery of personal care services using the concept of consumer-direction. A consumer is given a monthly cash allowance, and with the assistance of a counselor, purchases the services and supports required to meet his or her personal care needs. This approach is the foundation of Personal Preference: New Jersey's Cash and Counseling Program.

**Cash Management Plan (CMP)** - A budget document developed by the Cash and Counseling Program Participant and approved by the Personal Preference Program for the expenditure of the Program Participant's cash allowance. The counselor can assist the Program Participant in completing this document. The Program Participant may revise the CMP as often as necessary.

**Contract Effective Date** - Date of award of contract to successful bidder.

**Contract Operational Date** - A date sixty (60) days after the Contract Effective Date when the contractor is expected to have fully implemented its transition plan and the contract program is fully operational.

**Contract Transition Period** - The sixty (60) day period from the Contract Effective Date to the contract operational date during which the contractor performs its mobilization and transition plan.

**Counseling Agency** – An entity under contract with the State of New Jersey that serves as a source of counseling services for Program Participants. The entity provides ongoing support and supervision to counselors who work for Personal Preference Program Participants and bills the State for the services provided by the counselors. The contractor will perform all duties of the Counseling Agency for all Program Participants.

**Counselor** - An individual employed by the contractor who provides services to Program Participants in the Cash and Counseling Program. The counselor trains the Program Participant on their role as an employer and assists Program Participants to understand and effectively use the cash grant. The counselor is the primary, front line support to the Program Participant. As such, the counselor provides individualized guidance, when requested by the Program Participant, his or her representative or State Program Office staff and conducts quarterly home visits for all Program Participants. The counselor interacts and collaborates with staff from other components of the program, (the contractor's financial staff and the State Contract Manager). Completion of a mandatory training program is a prerequisite to work as a counselor.

**Department of Human Services** - The Using Agency.

**Disaster Recovery Plan** - A plan for restoring software and master files and hardware backup if management information systems are disabled and for continuation of Program Participant payroll and invoice payment services.

**Division of Disability Services** - A division of the Department of Human Services. The Personal Preference Program, the New Jersey Cash and Counseling Program is a program within the Division of Disability Services.

**Division of Medical Assistance and Health Services (DMAHS)** - A Division of the Department of Human Services. DMAHS is the single state Medicaid agency for the State of New Jersey.

**Domestic Household Employee** - A worker who performs work in and around the home for the Program Participant. The domestic household employee is an employee of the Program Participant and assists the Program Participant in activities of daily living such as bathing, dressing, personal and oral hygiene, grocery shopping, housekeeping and meal preparation.

**Employee Application Package** - A package of employment-related forms produced and distributed by the contractor. Counselors distribute the employee application package to Program Participants (or their representatives when appropriate) that are hiring a new domestic household employee. The package includes: a one page employment application form that collects basic information on the prospective employee, the Immigration and Naturalization Service (INS) Form I-9; the Employment Eligibility Verification Form, IRS Form W-4; Employee's Withholding Allowance Certificate and an associated State income tax withholding form. When appropriate, the package should also include the IRS Notice 797; Possible Federal Tax Refund Due to the Earned Income Credit (EIC), the IRS Form W-5; Earned Income Credit Advanced Payment Certificate and instructions on how to complete the form. Counselors will assist the Program Participant and the employee in

completing the forms, provide copies to the Program Participant and process the forms on behalf of the Program Participant and the employee.

**Medicaid Fiscal Agent or Unisys** - An entity under contract with the State of New Jersey that processes and adjudicates claims on behalf of the New Jersey Medicaid Program. The current fiscal agent for New Jersey is Unisys. The contractor must interface with the Medicaid Fiscal Agent for the purpose of receiving each Program Participant's cash grant.

**Medicaid Personal Care Assistant Services** – Health-related tasks performed by a qualified personal care assistant in the Medicaid recipient's home under the supervision of a registered professional nurse. (The contractor will not provide the supervisory nurse). The Medicaid Personal Care Assistant performs health related tasks prescribed by a physician in accordance with a Program Participant's plan of care.

**New Jersey Cash and Counseling Program**: Also known as the "Personal Preference Program, New Jersey's Cash and Counseling Program". This program uses the concept of consumer direction. It allows elderly and disabled Medicaid recipients to design, direct and manage their personal care services. Using a predetermined monthly cash allowance, Program Participants work with a counselor to develop a CMP by which they decide the services they will need and the individuals/agencies they wish to hire to provide those services. The program requires greater consumer responsibility but offers Program Participants greater control, flexibility and choice, than the traditional Medicaid PCA Program.

**Personal Care Assistant (PCA)** - An individual who successfully completed a training program in personal care services and is certified as a homemaker-home health aide by the New Jersey Department of Law and Public Safety, Board of Nursing. The Personal Care Assistant is not an employee of the contractor. The Personal Care Assistant is employed by a healthcare services firm.

**Program Participant** - An individual, age 18 or older, who is covered under the New Jersey Medicaid Program, requires personal care assistant services and who has voluntarily agreed to participate in the Personal Preference Program, New Jersey Cash and Counseling Program.

**Program Participant Advisory Committee** - A group of Program Participants and Program Participant representatives, the contractor and the State Contract Manager or designee that meet, review and comment on the performance of the contractor on a quarterly basis in accordance with an established protocol. The Committee reports to the DHS, Division of Disability Services on a quarterly basis.

**Program Participant/Consumer-Directed Services** - An approach to service delivery that affords the opportunity for individuals to control and manage the services they receive. In consumer-directed service models, the individual who requires a service makes the decisions and choices about what, when and where and from whom he/she receives services. The underlying assumption is that the individual knows the most about his/her needs and wants.

**Program Participant Grievance Committee** - A group of Program Participants and Program Participant representatives, the contractor and the State Contract Manager or designee that meet and review grievances from Program Participants on a monthly basis. The committee reports its findings to DHS, Division of Disability Services and the Program Participant Advisory Committee on a monthly basis.

**Program Participant Manual** - A manual designed to serve as a resource for Program Participants. It describes the responsibilities that Program Participants accept when hiring their own employees and provides detailed, step-by-step explanations for meeting these responsibilities. The manual also includes examples of required forms to be completed and detailed instructions.

**Representative** - A Program Participant's legal guardian, who maybe a family member, or any other individual identified who willingly accepts responsibility for performing cash management tasks that a Program Participant is unable to perform. A representative must evidence a personal commitment to the Program Participant and be willing to follow the Program Participant's wishes and respect the Program Participant's preferences, while using sound judgment to act on the Program Participant's behalf. Representatives receive no monetary compensation for this service, and may not serve as the employee of the Program Participant. A Program Participant may have one of three types of representatives:

- a. **Predetermined Representative** - Legal guardian or other court-appointed representative in place, at the time of enrollment, who will serve as the designated representative for the Program Participant.

b. **Voluntary Representative** - Representative designated by the Program Participant who voluntarily represents the Program Participant on the Program Participant's behalf. The Program Participant and the counselor work together to select the representative.

c. **Mandated Representative** - A person that the State appoints and requires the Program Participant accept as the Program Participant's representative. A mandated representative may be appointed when a Program Participant has misspent funds or function has deteriorated in such a way that the Program Participant is no longer able to manage the cash allowance. There may be other reasons which cause the State to appoint a mandated representative as a condition of continued participation in the program.

**Social Security Domestic (SSD) Reform Act of 1994** - Referred to colloquially as the Nanny Tax Amendments, the SSD Reform Act of 1994 was aimed at extending the benefits of the Social Security Act to persons employed in the home through a much simplified tax withholding and payment procedure.

**Statewide Fiscal Intermediary Service Organization (FISO) or (contractor)** - Entity under contract with the State that provides a range of fiscal and business services for the Program. The organization provides the Program staff with certain reports. There will be one Statewide FISO and the contractor shall perform this function. The Statewide FISO will also assume all counseling components of the program.

**State Program Office** - The Division of Disability Services, DHS is the State Program Office. The State Program Office is responsible for the overall administration of the Program and its related policies and procedures.

**TARP (Technology Assistive Resource Program)** - A Statewide program, federally funded, which provides presentations, information and referral services, advocacy and legal representation for people with disabilities in the area of assistive technology. TARP's mission is to improve access to assistive technology, devices and services and to identify potential third party funding sources for such equipment. TARP operates a variety of programs to assist individuals who need assistive technology, including a lending service, mobile outreach and equipment recycling services.

### 3.0 SCOPE OF WORK

It is anticipated that the contractor will need sixty (60) days from the Contract Effective Date to become fully operational. At the end of the 60 days, the contractor shall be fully operational and the incumbent contractor shall no longer perform Program services.

At the end of the term of this contract, the State will invoke Section 5.6 of this contract for contract transition purposes.

#### 3.1 STARTUP TRANSITION PERIOD

The contractor shall perform the following tasks in order to become fully operational on the Contract Operational Date:

##### 3.1.1. KICKOFF MEETING

The contractor shall meet with the State Contract Manager in the New Jersey Personal Preference Program for a kick-off/orientation meeting in Trenton within ten (10) business days of award of the contract. At a minimum, the contractor shall be represented at the kick-off meeting by its project manager, supervising accountant responsible for the fiscal services and the lead counseling supervisor responsible for counseling services, under this contract. At this meeting, all aspects of program startup and operation shall be discussed and reviewed. Further, the State Contract Manager shall provide the contractor with all records held by the State Contract Manager that are needed by the contractor. These records include a list of all Program Participants along with their representatives and their domestic household employees, at the time of the meeting.

State records consist of both paper files and electronic files. The electronic files are in Word or Excel and will be emailed to the contractor.

##### 3.1.2. TELEPHONE CONFERENCES AND ADDITIONAL MEETINGS

The State Contract Manager, in consultation with the contractor, will establish a regular schedule of meetings and/or telephone conferences to assess the progress of the contractor during the transition period. This may include meetings at the State Contract Manager's office, at the contractor's facility or by mutually agreed telephone conference calls.

##### 3.1.3. STATEWIDE FISO RECORDS

The contractor shall meet with the incumbent contractor as many times as necessary and as arranged by the State Contract Manager to work out the transfer of copies of all paper and electronic records for all the Program Participants and other records and files needed for the orderly transfer of the Program. Records transferred must include all records that relate to each Program Participant. The incumbent contractor will make copies of all paper and electronic files available to the contractor, whose responsibility is to obtain the copies. The expense of copying and transferring all paper files shall be borne by the contractor.

The incumbent contractor has the following files:

a) Paper files for each Program Participant and domestic employee - The incumbent contractor records include, but are not limited to, the following paper files for each Program Participant:

Tax and payroll records  
Reports  
Withholding data  
Program Participant data  
Cash Management Plans  
Workers Compensation records

b) Electronic files for each Program Participant and/or domestic employee - The incumbent contractor's electronic files include, but are not limited to:



Financial record files stored as Peachtree files  
Cash management Plans stored as Excel files  
Unisys transmittal records stored as Excel files

c) Monthly, Quarterly, Yearly Reports and related data - The incumbent contractor holds the reports and the data base upon which monthly, quarterly, and yearly reports are based. The contractor is responsible for obtaining those reports and the data from the incumbent contractor. Those reports and data are all generated through Peachtree, a standard software product.

The contractor must transfer all records to its office within forty-five (45) days after contract award and have those records organized, functional and available for ready retrieval before the Contract Operational Date.

The contractor must pay for the cost of copying and transferring all paper files from the incumbent contractor.

The identity of any Program Participant's medical provider will be identified in the background records that will be provided to the contractor. Records of current Program Participants will be transferred to the contractor. In addition, information on any Program Participants that were enrolled in the calendar year in which this contract is awarded will also be transferred to the contractor.

Unisys is the fiscal agent for Medicaid. Records storage, security and retention are part of the contractor's overhead.

### **3.1.4. COUNSELING SERVICE RECORDS**

The contractor shall meet with and obtain the records from all the various counseling service agencies and file those records within the contractor's office. The contractor bears the cost of copying records (See Section 3.1.24).

Listed below are the current counseling agencies. Each counseling agency maintains records for all the Program Participants counseled by their employee counselors. The contractor shall assume that it must make at least one trip to each counseling office to obtain and copy the Program Participants' records. It shall be the responsibility of the contractor to copy the files and pay the cost of copying those records. Some records may be in electronic format and the mix of paper and electronic records will vary from agency to agency. Each agency will make the records available to the contractor and explain each type of record it maintains. The counseling agencies are:

Atlantic County AAA,  
Division of Intergenerational Services  
101 South Shore Road  
Northfield, NJ 08225

Community Access Unlimited  
80 West Grand Street  
Elizabeth, NJ 07202-1447

DMH Counseling & Referral Services  
14 Washington Ave.  
Summit, NJ 07901

Heightened Independence and Progress  
131 Main Street, Suite 120  
Hackensack, NJ 07601

Middlesex County Board of Social Services  
181 Howe Lane  
P.O. Box 509  
New Brunswick, NJ 08903

Monmouth County Division of Social Services  
P.O. Box 3000  
Freehold, NJ 07728

Morris County Division on Aging, Disabilities & Veterans  
P.O. Box 900  
Morristown, NJ 07963-0900

Ocean County Board of Social Services  
1027 Hooper Ave. P.O. Box 547  
Toms River, NJ 08754-0547

Resources for Independent Living  
126 Franklin Street  
Riverside, NJ 08075

Senior Citizens United Community Services  
146 Black Horse Pike  
Mount Ephraim, NJ 08059-2035

The contractor must transfer all records within forty-five (45) days after contract award and have those records organized and functional before the transition period ends.

### 3.1.5. MEET THE PROGRAM PARTICIPANTS

The contractor shall meet or otherwise contact each Program Participant, identify itself as the new Program contractor and explain that it will become the Program Participant's new fiscal agent and counseling agency. Within the sixty (60) day transition period it shall be the contractor's responsibility to:

- a. Assign a counselor to each Program Participant and identify the counselor to the Program Participant.
- b. Have each Program Participant sign an IRS form 2678, Employer Appointment of Agent form, which designates the contractor as the new fiscal agent for the Program Participant.
- c. File IRS form 2678 with the IRS for each Program Participant
- d. Provide each Program Participant with the telephone number at which the Program Participant may contact the contractor to answer questions.
- e. Have at least one staff member at its office during the transition period to receive phone calls should Program Participants call the contractor before the program is formally transferred and redirect the caller to the incumbent contractor for service.

The contractor shall be eligible for payment for the counseling services performed during the transition period at the hourly rate specified on the price schedule for counseling services.

### 3.1.6. ESTABLISH ACCOUNTS

For each Program Participant, the contractor must establish accounts for itself and the Program Participant for the purpose of receiving each Program Participant's cash grant electronically from Unisys...

A physical bank account is not required for each Program Participant, but there must be a separate and distinct sub account for each Program Participant. Unisys sends the money to the contractor. The contractor, serving as an approved Medicaid provider, shall submit the claim for the amount of the grant as approved by the State Program office. The State Program office will provide the contractor with the amount to be billed.

### 3.1.7. ELECTRONIC INVOICING

The contractor shall establish an electronic invoicing process for billing Unisys.

Unisys does not provide any software. However, Unisys does maintain a listing of approved software vendors and billing agents that a provider may use for electronic claims submissions. The listing is available at [www.njmmis.com](http://www.njmmis.com).

The contractor must register with Unisys and obtain a NJ Medicaid Submitter ID. This is done through the completion of an Electronic Data Interface (EDI) Agreement. A copy of the form and instructions are located in Section 2 of the NJ Medicaid HIPAA Companion Guide, which is available at [www.njmmis.com](http://www.njmmis.com).

### **3.1.8. ESTABLISH PAYROLL AND WITHHOLDING RECORDS**

The contractor shall establish payroll and withholding records for all the Program Participants' domestic household employees,. This includes obtaining household employees' payroll and tax records from the incumbent contractor, accurately filing and recording those records and paying the domestic household employees without delay immediately after assuming the Program. This also includes obtaining all other records for the domestic household employees that are on file with the incumbent contractor.

The contractor shall obtain from the incumbent contractor all historical records for Program Participants and copies of all monthly, quarterly and annual reports. This contract requires the contractor to generate such that it can continue with all the reporting requirements in the month that the contractor assumes the program.

### **3.1.9. CASH MANAGEMENT PLANS**

For each Program Participant, the contractor must obtain and have on file, the current Cash Management Plan (CMP) that details how each Program Participant's cash grant shall be expended. The contractor shall also have reviewed each Program Participant's file so that any installment payments for purchases are paid in conformance with the installment payment schedule without over or under payments. The contractor must develop, during the transition period, a system to provide cash to the Program Participant should the CMP indicate that the Program Participant is to be given cash as part of the grant. The contractor shall learn which CMPs have been revised during the month prior to the contractor assuming the program so that the new plans are put into effect on the first day the program is transferred to the contractor. For historical purposes, the contractor must also have on file, all the CMPs filed by each Program Participant starting with each Program Participant's initial CMP and the record of CMP revisions since the Program Participant entered the Program.

### **3.1.10. FEDERAL EMPLOYERS IDENTIFICATION NUMBER (FEIN) FOR THE CONTRACTOR**

The contractor shall establish a unique new FEIN for itself during the transition period for the sole purpose of acting as fiscal agent for the Program Participants.

### **3.1.11. ENROLLMENT AS A MEDICAID PROVIDER**

During the transition period, the contractor must become a Medicaid provider for the purpose of billing Unisys. It is anticipated that it will take less than four (4) weeks or less to become a Medicaid Provider. The State Contract Manager shall arrange for the enrollment of the contractor as a Medicaid Provider. Medicaid will require a separate and distinct provider number in order for the contractor to participate.

### **3.1.12. TAX INFORMATION AUTHORIZATION**

During the transition period, the contractor must file IRS form 8821 for each Program Participant.

### **3.1.13. NJ EMPLOYER REGISTRATION**

As part of the files transferred to the contractor, the contractor shall review the records received, to ensure that it has received the NJ Employer Registration for each Program Participant that employs a household domestic employee.

### **3.1.14. BILL UNISYS - GRANT DISBURSEMENT**

The contractor shall set up and have operational within the transition period, an electronic method to bill Unisys on a monthly basis, receive the money from Unisys and disburse the funds into the Program Participant's accounts and the contractor's administrative account in accordance with the price for grant disbursement on the Price Schedule. The State Contract Manager shall arrange for the contractor to obtain the proper procedure codes needed to perform that billing.

On the price schedules there are two pages for prices for each contract year. On the second page for each contract year there are price lines for services that the contractor shall charge the Program Participants directly. These are services for which the contractor shall charge directly against the Program Participant's cash grant instead of charging the administrative account. Consumers as employers are responsible for paying for the services shown on the second page of the price schedule for each contract year. These services are referenced in section 3.5.3 of the RFP. These services are also specified in Section V of the CMP.

#### 3.1.15. HIPAA COMPLIANCE

The contractor shall establish and be capable on the first day it assumes operational control of complying with the HIPAA legislation requirements as specified further in this scope of work.

The HIPAA standards (referred to as "Implementation Guides") are available at [www.wpc-edi.com/hipaa](http://www.wpc-edi.com/hipaa). In addition, the NJ Medicaid HIPAA Companion Guide, a supplement to the national Implementation Guides, is available at [www.njmmis.com](http://www.njmmis.com). All electronic claims must adhere to the HIPAA standards. The HIPAA 837P transaction must be used.

The Contractor may be required to submit hardcopy claims on a rare occasion at the discretion of the Division of Medical Assistance and Health Services using Claim Form #1500. The Center for Medicare and Medicaid Services requires, per HIPAA legislation, that all health care transactions adhere to the nationally defined (ASCX12-837) for the submission of 1500 claims.

Documentation on the current HIPAA standard for the current EMC Specifications may be obtained by contacting UNISYS Corporation at 800-776-6334 or 609-587-1955. HIPAA information, documentation, and news can be also be obtained freely on the Internet at the following address: [www.wpc.edi.com](http://www.wpc.edi.com).

#### 3.1.16. CUSTOMER SERVICE CENTER

The contractor shall establish during the transitional period and thereafter a customer service center with a toll free number to receive questions from Program Participants. It is estimated that a population of 350 Program Participants generates between approximately ten (10) to fifteen (15) calls per day or approximately 400 calls per month. The most active call day is payday for the domestic household employees.

#### 3.1.17. PROGRAM PARTICIPANT ADVISORY COMMITTEE AND GRIEVANCE COMMITTEE

The contractor shall be provided with the names of all existing committee members. The contractor shall contact by telephone all members of the advisory and grievance committees during the transition period and provide any information that the committee members may need to facilitate a smooth transition. There are no formal forms or meeting rules associated with these committees. Changes in the membership of these committees are decided jointly by the contractor and the State Contract Manager.

#### 3.1.18. COUNSELOR TRAINING

During the transition period, the contractor's counselors shall complete a one (1) day or two (2) day training course provided by the State Contract Manager and the Department of Human Services.

#### 3.1.19. TRANSFER REMAINING BALANCES

The contractor will work with the incumbent contractor and the State Contract Manager to transfer the remaining balances of the Program Participants and of the administrative account from the incumbent contractor's accounts to the contractor's new accounts.

#### 3.1.20. OTHER NEEDS

The contractor shall prepare and perform any other work that is either expressed or implied in the Scope of Work that the contractor must do during the transition period in order to prepare to assume operational control of the program.

### **3.1.21. ASSUMPTION OF PROGRAM**

At the end of the transition period, the contractor shall assume and perform all duties specified herein. The specific date for the assumption of specific contract duties to occur will be determined during the transition period in conjunction with the State Contract Manager and the incumbent contractor. The actual assumption of duties may occur in short stages, for example, the contractor may take over some duties, such as gathering statistics for reports on the first of a month, and take over other duties, such as payroll, on or at the beginning of a payroll week. The specific date or dates of this transfer shall be specified in writing by the State Contract Manager. The transition period will be shortened if the replacement contractor is able to assume the duties of the contract in fewer than 60 days.

## **3.2 CASH AND COUNSELING SERVICES**

The contractor shall perform services as the Statewide Fiscal Intermediary Service Organization (FISO), as the fiscal agent for Program Participants and as the counseling service for Program Participants.

### **3.2.1 CONTRACTOR RESPONSIBILITIES**

The contractor shall perform all work either expressed or implied that is necessary to perform all the services specified in this contract for the New Jersey Cash and Counseling Program.

The contractor's responsibilities include, but are not limited to:

- (1) obtaining Federal and State approval to become a fiscal agent for Program Participants; and
- (2) acting as the fiscal agent for Program Participants; and
- (3) preparing the necessary program management reports
- (4) providing all required information to Program Participants and the Department of Human Services.
- (5) billing and receiving the Program Participants' cash grant. from Unisys.
- (6) establishing an account for each Program Participant;
- (7) processing payroll for all workers employed by the Program Participants;
- (8 ) charging the Program Participants for services rendered where Program Participants are responsible for payment from their cash grants.
- (9) processing and paying non labor-related invoices as requested by the program  
Program Participants, and
- (10) assuring that Program Participants are in compliance with federal and state income and employment taxes, FICA, statutory benefits [e.g., unemployment (FUTA/SUTA)], disability and worker's compensation insurance, and labor laws related to the employment of their workers.

### **3.2.2 STATEWIDE FISO VS. FISCAL AGENT DUTIES**

When the contractor is handling or moving money on behalf of the Program or the Federal Medicaid program, the contractor is acting as the Statewide Fiscal Intermediary Service Organization (Statewide FISO). When the contractor is handling money on behalf of Program Participants, the contractor is acting as the fiscal agent for Program Participants. At times, the responsibilities overlap. Generally speaking, the contractor provides all the financial, bookkeeping and record keeping duties related to the Program except:

- a. Determining the amount of the cash grant received by the Program Participant.
- b. Determining how the Program Participant's cash grant is spent.
- c. Approving the Program Participant's CMP.

### **3.2.3 MINIMUM REQUIREMENTS TO BECOME THE STATEWIDE FISO**

In order to become the Statewide FISO for the Program, the Contractor shall obtain Federal and State approval within four (4) weeks of contract award to be the fiscal agent for Program Participants. In order to obtain these approvals, the contractor shall:

1. -obtain a Federal Employer Identification Number by filing an IRS Form SS-4, Application for Employer Identification Number, for the sole purpose of acting as the fiscal agent for Program Participants;
2. -complete and file IRS form 8821, Tax Information Authorization, signed by each Program Participant, with the IRS for each Program Participant the contractor represents.
3. -complete and file IRS Form 2678, Employer Appointment of Agent, signed by each Program Participant, with the IRS for each Program Participant that employs a domestic household employee;
4. -obtain a New Jersey employer registration number by completing and filing an NJ REG-1 Status Report of Employer Unit for each Program Participant;
5. -enroll as a Medicaid provider in order to obtain grant funds on behalf of all Program Participants and to bill Medicaid for its services. As a Medicaid provider, the Contractor will be assigned a procedure code by the New Jersey Division of Medical Assistance and Health Services to invoice Unisys to obtain monthly prospective payment for eligible Program Participants. The State Contract Manager shall assist the contractor in the enrollment process.

### **3.2.4 FISCAL AGENT DUTIES RELATED TO THE PROGRAM PARTICIPANTS**

The contractor shall perform the following with or on behalf of the Program Participants:

The contractor shall assist the Program Participants in obtaining a federal employers identification number (FEIN). By assisting the Program Participant in completing and submitting an IRS Form SS-4: Application for Employer Identification Number. The Program Participant can not be the employer of a domestic household employee without this number.

The contractor shall obtain from every Program Participant the authority to act as the Program Participant's fiscal agent. Assisting the Program Participant in completing and filing IRS Form 2678: Employer Appointment of Agent. The contractor can not perform financial duties on behalf of the Program Participant until this form is filed with IRS.

The contractor shall create an interest bearing account for the Program Participant for the purposes of receiving the cash grant money and shall act as the custodian of Program Participants' cash grants. The contractor shall invoice Unisys for the Program Participant's grant money and shall receive the grant money electronically. All payments made by the contractor on behalf of Program Participants will be made from Program Participants' contractor-managed account. A physical bank account is not required for each Program Participant, but there must be a separate and distinct sub account for each Program Participant.

The contractor shall be available to answer Program Participants employer-related fiscal and payroll questions as needed.

The contractor shall be culturally sensitive in all business practices when dealing with Program Participants.

The contractor shall communicate effectively and directly with the Program Participants, their representatives and employees, regardless of any particular disability the Program Participant may have. The Contractor shall have, at a minimum, the capacity to access translation services when necessary.

The contractor shall provide Program Participants with information concerning all changes and updates on reports, forms, tax laws and labor laws. Materials provided to Program Participants shall be available in alternative format (e.g., large print, use of telecommunication devices for the hearing and speech impaired) as needed.

In the event a Program Participant chooses a representative to assist with budget management, the State Contract Manager shall notify the contractor in a timely manner of the name of the Program Participant's representative and other pertinent information.

The contractor shall keep track of the accumulation of cash in the Program Participant's account. Program Participants are allowed to accumulate cash for up to one year to purchase items and services as detailed within their CMP. At the end of each 12 month period, the counselor will meet with Program Participants to

determine if the accumulated cash is needed for the purchase of additional items or services. All undesignated, accumulated cash shall be returned to Unisys by the contractor.

The contractor shall act as the fiscal agent for all Program Participants for the purpose of managing the payroll tasks for Program Participants' domestic household employees and for paying non labor-related invoices as requested by the Program Participant. The contractor shall generate workers' payroll checks and pay non-labor related invoices in a timely and accurate manner and in compliance with all federal and state regulations pertaining to domestic household employees and independent contractors.

The contractor shall perform all employer payroll responsibilities as fiscal agent for Program Participants.

In order for the contractor to be recognized by the New Jersey State Unemployment Division as the fiscal agent for an individual, the contractor shall file a NJ REG-1 form and complete the master address box on the NJ REG-1, Request for Registration Number, "c/o the name and address of the contractor" on behalf of Program Participants. This will assure that the contractor will receive all correspondence related to unemployment insurance for each Program Participant's domestic household employee(s). The contractor shall file a NJ REG-1 for each Program Participant it represents.

The contractor shall prepare employee application packages that are to be completed by the Program Participant for any new domestic household employee and give that package to Program Participants that are hiring new domestic household employees. The contractor shall modify the content of the employee application package if Federal or State rules change. The content of this package includes:

A one page employment application form that collects basic information on the prospective domestic household employee,  
An Immigration and Naturalization Service (INS) Form I-9;  
An Employment Eligibility Verification Form,  
IRS Form W-4; Employee's Withholding Allowance Certificate and an associated State income tax withholding form,  
IRS Notice 797; Possible Federal Tax Refund Due to the Earned Income Credit (EIC), the - - IRS Form W-5;  
Earned Income Credit Advanced Payment Certificate  
Instructions on how and when each form should be completed by the Program Participant and the worker. The instruction must include information on which forms the Program Participant should keep as a personal copy and which forms should be submitted to the contractor for processing.

The contractor shall establish and maintain a record for each Program Participant's worker(s) and process each worker's employer application package documentation. The contractor shall file the completed forms with the appropriate agencies on behalf of the Program Participant.

The contractor shall develop and implement the accounting and information systems necessary to track and report Program Participants' cash grant allocations and be able to track labor and non-labor expenses separately for each Program Participant.

The contractor shall generate and send detailed cash grant and expenditure reports to Program Participants on a monthly basis.

The contractor shall generate and send detailed year-to-date cash grant and expenditure reports to the Program Participants and to the New Jersey Personal Preference office on a monthly basis.

#### **3.2.4.1 PAYMENTS MADE BY PROGRAM PARTICIPANTS**

The contractor shall conduct pre-employment background checks on prospective domestic household employees at the request of Program Participants or their representatives. Those background checks may include social security background checks, county criminal background checks and statewide criminal background checks. Performing background checks are not an administrative expense covered by Medicaid. Instead, the Program Participant must pay the contractor from his or her cash grant for the performance of background checks.

The contractor shall provide check processing services to Program Participants beyond check processing services for payroll. Processing checks for non-labor expenses are to be charged directly to the Program Participant grant and will not be paid by the Program. Processing checks to pay the domestic household

employees that exceed the number of hours allotted on the CMP will not be paid by the Program but instead the Program Participant must pay the contractor for the processing of such checks directly from the Program Participants cash grant.

The contractor shall provide a stop payment service on checks as requested by the Program Participant. Processing a stop payment on a check is not an administrative expense covered by Medicaid. The Program Participant shall pay the contractor directly for the cost of stopping payment on a check directly from the Program Participants cash grant.

The contractor shall assist the Program Participant in obtaining health benefits coverage for the Program Participant's domestic household employees should the Program Participant wish to provide that coverage. The cost of assisting the Program Participant obtain health benefits for their employee shall be borne by the Program Participant and paid from the Program Participant's cash grant.

The contractor shall assist the Program Participant in obtaining worker's compensation insurance for the Program Participant's domestic household employees.. The cost of assisting the Program Participant obtain worker's compensation insurance for their employee shall be borne by the Program Participant and paid from the Program Participant's cash grant.

### **3.2.5 FISCAL AGENT DUTIES RELATED TO THE PROGRAM PARTICIPANTS' EMPLOYEES**

#### **3.2.5.1 PROGRAM PARTICIPANT EMPLOYER OF RECORD**

The contractor shall inform domestic household employees that the Program Participant is the employer of record. The State and the contractor will not be the employer of record in any instance.

#### **3.2.5.2 FISCAL AGENT DUTIES AND EMPLOYEES**

The contractor as the fiscal agent for the Program Participant shall perform all employer financial, accounting, withholding, filing and payroll duties for the Program Participant that is required of an employer to provide for employees. Those duties include:

1. For each domestic household employee, the contractor shall withhold, file, and deposit FICA, FUTA and SUTA taxes, and state disability and worker's compensation insurance premium payments in accordance with Federal IRS and State of New Jersey State Tax rules and regulations. All employment-related taxes are taken from the cash grants.
2. For each domestic household employee, the contractor shall withhold Unemployment, Disability and Worker's Compensation Insurance in accordance with all State and Federal rules and regulations for all Program Participants' domestic household employees.
3. The contractor shall withhold, file and deposit federal and state income tax if requested by a Program Participant's domestic household employees;
4. The contractor shall inform the Program Participant's domestic household employees of the availability of the federal Earned Income Credit and manage advanced payments when applicable (IRS Publication 596; Earned Income Credit), in accordance with Federal IRS rules and regulations (IRS Publication 15, Circular E; Employer's Tax Guide and Publication 15-A, Employer's Supplemental Tax Guide).
5. Where applicable, the contractor shall make advance payments of Federal Earned Income Credit (EIC) to eligible domestic household employees.
6. The contractor shall assure that Program Participants' domestic household employees are paid hourly rates and overtime, when applicable, in accordance with the Federal and State Department of Labor Fair Labor Standards Act (FLSA);
7. Where applicable, the contractor shall process all judgments, garnishments, tax levies or any related holds on a domestic household employee's pay as may be required by local, state or federal laws;



8. The contractor shall distribute, collect and process the domestic household employees' biweekly timesheets;
9. The contractor shall prepare domestic household employee' biweekly payroll checks and send them to the Program Participant for distribution or to the worker directly within five (5) business days after receipt of the relevant timesheet.
10. The contractor shall generate and distribute IRS Form W-2s, Wage and Tax Statements, and related documentation annually to all workers who meet the statutory threshold earning amounts during the tax year by January 31st. The contractor that has assumed all work of the contract as of December 31 of each year shall be responsible for issuing annual tax statements and related documents. The incumbent contractor shall issue these annual tax statements if a replacement contract has been awarded, but the replacement contractor is in transition and has not yet assumed responsibility as fiscal agent to the Program Participants.
11. The contractor shall process all non labor-related invoices and pay vendors as specified by Program Participants and/or their representatives;
12. The contractor shall develop and maintain a file record for each Program Participant that includes all required employer and program related records and documents in a manner and for a time period as specified by the IRS, INS, DoL, and the New Jersey Department of Human Services.
13. The contractor shall maintain other such records and information required by the Division of Disability Services staff at the Department of Human Service, in the form and manner prescribed by the staff; and
14. The contractor shall keep abreast of all laws and regulations relevant to the responsibilities it has undertaken with regard to the required federal and state filings and the activities related to being the Program Participants fiscal agent and shall adjust withholdings, filings and record keeping in accordance with the new laws and regulations if and when changes occur during the term of this contract.

### **3.2.5.3 SPECIAL EMPLOYEE REPORTING SERVICES**

As the fiscal agent for Program Participants, the contractor shall provide special employee reporting services as needed. Such reporting services may include, but are not limited to, providing information to insurance companies that are conducting worker's compensation policy audits on Program Participants or the domestic household employees. The contractor shall provide information and reports as required to the Department of Labor if it audits a Program Participant or the Program Participant's domestic household employee. Those audits may include requests related to wage and hour information, disability claims or unemployment claims. The contractor shall have a system in place to record the time spent on completing such tasks for Program Participants. These hours shall be billed as special support services.

### **3.2.5.4 REPORTS FOR PROGRAM PARTICIPANTS**

The contractor shall be required to produce a monthly and quarterly status report for Program Participants. These reports shall include, at a minimum:

1. -the name and Medicaid identification number of the Program Participant,
2. -the amount of the Program Participant's monthly cash grant allotment for the current month and the date the grant was received by the contractor,
3. -for all domestic house hold employees, the names, social security numbers, job titles, hire date(s), wages, taxes and insurances paid for the current period and year to date,
4. -the number, type and amount of all non labor-related payments made by the contractor for the current period and to date,
5. -the total amount of interest accumulated in the Program Participant's interest-bearing account for the current month and year to date,
6. -the total year to date amount of Program Participant's cash grant allotments transferred to the Program Participant's account.

7. -the total amount of the grant remaining for the current month and year to date.

### **3.2.6 EMPLOYEE WORK STATUS**

#### **3.2.6.1 DOMESTIC HOUSEHOLD EMPLOYEE OR INDEPENDENT CONTRACTOR**

The majority of labor that will be hired by Program Participants in the Program are considered domestic service employees rather than independent contractors in accordance with Federal Internal Revenue Service (IRS) and Federal and Ruling 87-41; IRS Publication 15-A: Employer's Supplemental Tax Guide; Federal DoL Publication WH 1409; Title 29 CFR Part 552, Subpart A, Section 3: Application of the Fair Labor Standards Act to Domestic Service; and State's ABC Test. However, if Program Participants have a question regarding the employment status of a particular worker, he or she may obtain a ruling on the employment status of that worker from the IRS by filing a Form SS-8: Determination of Employee Work Status for Purposes of Federal Employment Tax Withholding and by verifying this determination with his or her State's Department of Labor. The contractor shall assist the Program Participant in filing form SS-8 should the Program Participant request a determination of the employee's status.

Should a worker be determined to be an independent contractor and not a domestic household employee by the Federal IRS and State Department of Labor, the contractor shall issue the worker an IRS Form 1099-Misc. (Miscellaneous Income), to report payments of \$600 or greater made in a calendar year for services performed (IRS Publication 15: Circular E, Employer Tax Guide, January 1996) by the independent contractor.

#### **3.2.6.2 MINIMUM WAGE**

The contractor shall be aware of and shall pay the employees of Program Participants in accordance with all Federal and State laws regarding minimum wage. This section provides some information related to minimum wage. The contractor shall assure that payment to Program Participants' employees complies with these rules or the most recent rendition of minimum wage laws and rules should the rules change before or during the term of this contract.

Home-based workers are classified as domestic service employees under the Federal Department of Labor's (DoL) Fair Labor Standards Act (FLSA). Minimum wage and overtime requirements are set, as a floor, by FLSA and states may have stricter requirements of their own. The federal minimum wage for covered non-exempt employees is \$5.15 an hour. The federal minimum wage provisions are posted at [www.fedminwage.com](http://www.fedminwage.com). Most New Jersey employers must pay a minimum wage of \$6.15 starting October 1, 2005 and \$7.15 starting October 1, 2006.. The contractor shall consult with the New Jersey Wage and Hour Division, in the New Jersey Department of Labor for information on wages that apply to special occupations. The contractor shall supply information to the Division of Wage & Hour staff investigating violations of wage and hour laws when requested. Wage and hour information can be obtained from [www.njrma.org/members/Issues/wageandhour.htm](http://www.njrma.org/members/Issues/wageandhour.htm)

If the domestic service employee works more than 40 hours in a single week, the employer (Program Participant) must pay overtime pay at one and one-half times the minimum wage for each additional hour worked over 40 hours. Domestic service employees are covered under FLSA unless they can be characterized under two DoL exemptions: Federal DoL Publication WH 1382: How the Fair Labor Standards Act Applies to Domestic Service Workers, and Federal DoL Publication 1312; Title 29 CFR Part 785, Hours Worked Under the Fair Labor Standards Act of 1938, As Amended).

Under the live-in help exemption, (Title 29 CFR Part 552 Subpart B Section 102), workers who reside in the household where they are employed are exempt from the overtime provisions of FLSA. However, they must be paid the minimum hourly wage for every hour worked, with the exception of up to eight hours for scheduled breaks and sleep time when mutually agreed upon by the worker and his or her employer.

#### **3.2.6.3 UNEMPLOYMENT TAX**

The contractor shall be aware of and shall withhold from the pay of the employees of Program Participants unemployment tax in accordance with all Federal and State laws regarding unemployment taxes where applicable. This section provides some information related to unemployment taxes. The contractor shall

assure that payment to the Program Participants' employees complies with unemployment tax rules or the most recent rendition of unemployment tax laws and rules, should the rules change before or during the term of this contract.

If an employer employs one or more persons for some portion of a day in each of 20 weeks within a calendar year or has a payroll of \$1,500 in a calendar quarter, or pay cash wages to household/domestic services workers totaling \$1,000 or more in any calendar quarter of the current or preceding year, the employer is subject to the provisions of the Federal Unemployment Tax Act (FUTA) (IRS Publication 15, Circular E; Employer's Tax Guide. However, in some cases, employers can receive credits up to 5.4 percent against their FUTA payments of 6.2 % of the first \$7,000 of an employee's earnings, based on their timely filing and payment of state unemployment tax (SUTA) (see the State of New Jersey Department of Labor Employer Handbook for the New Jersey Unemployment and Disability Insurance Programs).

The contractor acting on behalf of the Program Participants will use the IRS Form 940/941 for the quarterly filing of FICA and FUTA taxes.

#### **3.2.6.4 NANNY TAX**

The contractor shall be aware of and shall withhold from the pay of the employees of Program Participants Nanny Tax in accordance with all Federal and State laws regarding the Nanny Tax where applicable. This section provides some information related to the Nanny Tax. The contractor shall assure that payments to the Program Participants' employees comply with these rules or the most recent rendition of Nanny Tax laws and rules, should the rules change before or during the term of this contract.

The Social Security Domestic Reform Amendments of 1994 (SSDERA of 1994), referred to colloquially as the Nanny Tax Amendments, were aimed at extending the benefits of the Social Security Act to persons employed in the home. Recognizing that many householders might be daunted by the filing requirements, Congress implemented two initiatives to alleviate potential difficulties: one was substantive and the other was procedural. The substantive relief for householders consisted of raising the threshold for compliance with the law from \$50.00 per quarter to \$1000 per employee per year. The procedural relief consisted of a new filing process allowing individual household employers to bypass quarterly filing (e.g. IRS Forms 940; Employer's Annual Federal Unemployment (FUTA) Tax Return and IRS Form 941; Employer's Quarterly Federal Tax Return) and depositing rules applicable to most employers. Now, household employers may simply report and pay any employment taxes at the end of the taxable year using the new Schedule H: Household Employment Taxes. The household employer sends a Schedule H, with his or her IRS Form 1040 (if the employer qualifies to pay taxes), and a check for the amount of taxes owed during the annual tax filing period (January 31st - April 15th) (IRS Notice 95-18; IRS Answers to Questions on Household Employee Reporting and Withholding; IRS Publication 926; Household Employer's Tax Guide).

#### **3.2.6.5 INCOME TAX**

The contractor shall be aware of and shall withhold from the pay of employees of Program Participants income tax in accordance with all Federal and State laws regarding income tax. This section provides some information related to income taxes. The contractor shall assure that payment to the Program Participant's employees complies with these rules or the most recent rendition of income tax laws and rules, should the rules change before or during the term of this contract.

Household/domestic service workers are exempt from federal income tax withholding in accordance with IRS Publication 15, Circular E: Employer's Tax Guide. However, the employer may withhold and deposit federal income taxes if both the employer and the employee voluntarily agree. It is not mandatory for an employer to withhold New Jersey gross income tax from wages paid to domestic employees if they are not required to withhold for Federal income tax purposes. However, if Federal withholdings are required or the employee chooses to have Federal income tax withheld, New Jersey gross income tax must also be withheld unless the employee has claimed exemption from New Jersey income tax because his or her total annual income is expected to be below the minimum taxable threshold amount (\$7,500) (New Jersey Division of Taxation Bulletin MISC.-1, 4/97).

#### **3.2.6.6 EMPLOYER IDENTIFICATION NUMBER FOR NEW JERSEY**

The New Jersey Division of Taxation does not require that employers obtain a State employer identification number. Instead, it uses the employer's Federal Employer Identification Number (FEIN) for all tax reporting purposes. However, in cases where an employer is awaiting the receipt of his or her FEIN, the Division of Taxation will issue a State EIN on a temporary basis, should an employer (Program Participant) need it for tax reporting purposes.

### **3.2.6.7 UNEMPLOYMENT AND DISABILITY INSURANCE**

The contractor shall be aware of and shall withhold from the pay of employees of the Program Participants Unemployment and Disability Insurance in accordance with all Federal and State laws regarding the Unemployment and Disability Insurance where applicable. This section provides some information related to Unemployment and Disability Insurance. The contractor shall assure that payment to the Program Participant's employees comply with these rules or the most recent rendition of Unemployment and Disability Insurance laws and rules, should the rules change before or during the term of this contract.

The State of New Jersey has an unemployment compensation law and is one of five states that have a statute establishing a state disability insurance program. Both programs are administered by the Division of Employer Accounts at the New Jersey Department of Labor (DoL).

The New Jersey Unemployment Compensation Law places certain responsibilities on all individuals, groups of individuals, firms and organizations that employ one or more persons on a permanent, temporary or part-time basis whether or not such employers are required to pay unemployment insurance taxes. If a person is employing or expecting to employ one or more persons, the employer should notify the Division of Employer Accounts to determine whether or not the employer is subject to the law. In order for an employer of a domestic employee to be subject to the law, he or she must have paid gross cash remuneration of at least \$1,000 to domestic labor in a calendar quarter.

Whether services performed for remuneration are considered to be performed by an independent contractor or a covered employee is determined by applying three tests of Section 19(I) (6) (A), (B) and (C) of the New Jersey Unemployment Compensation Law (State of New Jersey Department of Labor; Employer Handbook for New Jersey's Unemployment and Disability Insurance Programs, August 1998).

The employers and employee basic contribution rates for unemployment insurance and the State Plan disability insurance coverage are stated in the State of New Jersey Department of Labor's Employer Handbook for New Jersey's Unemployment and Disability Insurance Programs, effective August 1998. These rates are subject to change depending on the condition of the Unemployment Trust and Disability Benefits Funds, respectively.

If an employer employs one or more persons for some portion of a day in each of 20 weeks within a calendar year or have a payroll of \$1,500 in a calendar year, or pays cash wages to household/domestic service workers totaling \$ 1,000 or more in any calendar quarter or preceding year, they are subject to the provisions of FUTA. However, in some cases an employer may receive a credit against Federal Unemployment Tax (FUTA). Effective 1/1/85, employers who pay their SUTA timely are allowed a credit not to exceed 90 percent of 6.2 percent of the first \$7,000 of wages paid to each employee during 1985 and thereafter.

The contractor acting as the fiscal agent for Program Participants must obtain a State Unemployment Registration Number for the Program Participant by the filing of the NJ REG-1, after a Program Participant incurs at least \$1,000 in domestic labor expense in a calendar quarter. The Division of Unemployment will then send the contractor a Quarterly Employer Reports Package (including the NJ Form 927; Quarterly Compensation Report and a NJ Form WR-30; Employer Report of Wages to be Paid Change in Status Report) to be filed quarterly. The contractor shall file these forms on behalf of Program Participants.

Even if a Program Participant has no employees in a particular quarter, Forms NJ-927 and 30 must be filed. If the contractor wishes to terminate a Program Participant's account, they can do it by filing a Quarterly Form NJ-927. The contractor can also notify the Division of Unemployment should they wish to reactivate the account at any time (see State of New Jersey Department of Labor; Employer Handbook for New Jersey's Unemployment and Disability Insurance Programs, August 1998).

Workers whose employment is covered by the New Jersey Unemployment Compensation Law are also protected by a mandatory disability insurance system. If a worker covered under New Jersey employment laws becomes disabled within 14 days of his/her last day of work, such worker may be eligible for disability

insurance under the State Plan or an approved Private Plan. The vast majority of employers access unemployment and disability insurance for their workers through the State Plan (see the State of New Jersey Department of Labor; Employer Handbook for New Jersey's Unemployment and Disability Insurance Programs, August 1998).

Under the New Jersey Temporary Disability Plan, effective 1/1/99, each worker must contribute at a rate of 1/2 percent on the first \$20,200 of covered wages paid by an employer in a calendar year. The maximum individual disability insurance deduction is \$101.00. Employers must also pay contributions on the first \$20,200 in wages paid to each worker in 1999 but their rates vary. The tax base for both workers and employer is subject to change each year (see the State of New Jersey Department of Labor; Employer handbook for New Jersey's Unemployment and Disability Insurance Programs, August 1998).

New Jersey employers are assigned new employer rates until they have established three consecutive full or partial years of contribution payment experience. Effective in the fourth year, rates are assigned based on the employer's unemployment experience history (see the State of New Jersey Department of Labor; Employer Handbook for New Jersey's Unemployment and Disability Insurance Programs, August 1998).

### **3.2.6.8 NEW JERSEY WORKER'S COMPENSATION LAW**

The contractor shall be aware of and shall assure that payment to the Program Participants' employees comply with New Jersey Worker's Compensation Law. This section provides some information related to New Jersey Worker's Compensation Law. The contractor shall assure that the Program Participants comply with these rules or the most recent rendition of New Jersey Worker's Compensation Law should the law change before or during the term of this contract.

Under New Jersey Worker's Compensation Law, employers are required to provide coverage for worker's compensation for the first employee with a small number of exceptions (the exceptions are occasional help as defined by the insurer and domestic servants or household employees)( see New Jersey R.S. 34:15-81). Each employer of domestic servants or household employees and every stock company or mutual association affording insurance for the liability of such employers by reason of that employment shall be exempted from the provision of worker's compensation insurance unless insurance coverage is afforded pursuant to P.L. 1979, c.308. Under P.L. 1979, c.308, household employers can obtain workers compensation insurance for their domestic household employees by purchasing a rider on the employer, homeowner, renter or other policy (for a nominal amount/\$2.00) that provides comprehensive personal liability insurance. The purchase of this rider is a State requirement and affords coverage for the employer against liability for the payment of any obligation which the policyholder may incur to an injured domestic or household employee or the dependents thereof. About ten percent (10%) of Program Participants obtain Worker's Compensation Insurance this way.

If a Program Participant does not obtain Worker's Compensation Insurance through a homeowners policy then insurance must be purchased from a private insurance company. For every employee that needs Worker's Compensation Insurance, the fiscal agent, on behalf of the Program Participant, must apply to three (3) insurance companies and request a Worker's Compensation Insurance policy. Once rejected by all three insurance companies, the fiscal agent can then apply to the Compensation Rating and Inspection Bureau in the Department of Banking and Insurance. The Bureau will then assign the Program Participant to a Worker's Compensation Insurance provider. The primary method of obtaining Worker's Compensation Insurance follows this process. Approximately ninety percent (90%) of all Worker's Compensation Insurance policies for the Program Participants are purchased through private insurance companies this way.

### **3.2.7 FISCAL AGENT -OTHER RESPONSIBILITIES**

At the contractor's site, the contractor shall manage all fiscal agent duties related to Program Participants' cash grants. The contractor shall be responsible for providing a fully equipped, automated and staffed office and must be able to perform all required training, payment, payroll, accounting, bookkeeping, document review and report-generating tasks.

The contractor shall also perform the following tasks:

1. Establish a customer service mechanism that responds to calls from program Program Participants, their representatives, their vendors and employees when applicable, regarding the

- disbursement of Program Participants' cash grant funds, payroll, payment of non labor-related invoices and lost or late checks.
2. Provide a toll free number for program Program Participants and their representatives to use to contact the contractor. A representative of the contractor shall be available between the hours of 9:00 AM and 5:00 PM Monday through Friday. When the representative is unavailable, the contractor shall maintain a voice messaging service. Calls should be returned within one working day from the time the message is recorded. Information regarding the availability of this communication mechanism shall be provided in writing to Program Participants. It shall also be provided with the first check sent by the contractor to all Program Participants employees;
  3. Provide a mechanism to respond to letters of inquiry and responds to those letters within one working day from receipt.
  4. Bill Program Participants directly for the cost of services provided by the contractor for work items that the Program Participant must pay directly from the Program Participants cash grant in accordance to rates established in the contract. Billing shall be done monthly.
  5. Establish and maintain a set of internal policies and procedures that will provide for a high level of Program Participant choice and control and afford Program Participants the ability to exercise the highest level of Program Participant direction related to the goods and services Program Participants purchase.
  6. Maintain a Program Participant Advisory Committee and a Grievance Committee made up of a group of program Program Participants and their representatives, the contractor and the State Contract Manager.
  7. Develop a mechanism to identify those Program Participants who incur expenses in excess of an established percentage of their monthly budget and notify the State Contract Manager when this occurs.
  8. Develop a mechanism to identify those Program Participants who request to have a cash grant but incur no labor or non labor related expenses in a given month and report these cases to the State Contract Manager or to persons as directed by the State Contract Manager.
  9. Develop a mechanism for recording/tracking special purchases that are actually made by consumers, those items that consumers list in Section IV of the CMP, and be able to provide that information to the State Program Office when requested.
  10. Assist in the resolution of disputes between the Program Participant and the domestic household employee. Any labor/management dispute brought to the contractor's attention must not be settled unless both parties (the Program Participant and the worker) are present; in such cases, the contractor may act as an impartial arbitrator when appropriate or as directed by the State Contract Manager.

### **3.2.8 DISASTER RECOVERY PLAN**

The contractor shall develop a Disaster Recovery Plan for restoring software and master files and hardware backup if management information systems are disabled so that payroll and invoice payment services are not disrupted.

### **3.2.9 CONFIDENTIALITY**

The contractor shall maintain the confidentiality of Medicaid information. The contractor shall not release any information regarding Program Participant to any entity or person other than the contractor's staff, the Department of Human Service's Division of Medical Assistance and Health Services, the Division of Disability Service or the State Contract Manager without the expressed written consent of the Program Participant. The Contractor shall take measures to prudently safeguard and protect unauthorized disclosure of the Medicaid information in its possession. The contractor shall establish internal policies to ensure compliance with federal and state laws and regulations regarding confidentiality. The contractor shall not provide, grant, allow or otherwise offer access to Medicaid information without express written permission of the Director of the New Jersey Division of Medical Assistance and Health Services or the State Contract Manager. The contractor shall not disclose or otherwise inform family members, friends or other members of the Program Participant's support network without prior written notification and approval from the Program Participant; Contractor shall assume all liability under both Federal and State law in the event that the information is disclosed in any manner. Upon receiving any request for Medicaid information from any individual, entity, corporation, partnership or otherwise, the contractor shall notify the State Contract Manager within twenty-four (24) hours. The Contractor shall ensure that there shall be no disclosure of data except through the New Jersey Division of Medical Assistance and Health Services or as directed by the State Contract Manager.

In cases where the information requested by outside sources is releasable under the Freedom of Information Act (FOIE) or the Open Public Records Act (OPRA) as determined by the New Jersey Division of Medical Assistance and Health Services, the contractor shall provide support for copying, supplying and invoicing such documents.

### **3.3 COUNSELING SERVICE DUTIES**

The contractor will employ and supervise a staff of trained counselors. The contractor shall assign Program Participants to specific counselors. The counselors shall be responsible for ensuring that each Program Participant is provided with instructions and guidance as their role as an employer in a consumer-directed program.. The contractor shall provide counseling services to Program Participants on recruiting, hiring, training, and discharging domestic household employees but the counselor is not responsible for supervising any of the Program Participant's domestic household employees. Supervision of domestic household employees is the sole responsibility of the Program Participant.

#### **3.3.1 SOLE PROVIDER OF COUNSELING SERVICES**

The contractor will be the sole provider of counseling services to Program Participants. The contractor's counselors assist all Program Participants in understanding and effectively using their cash grant. The counselor serves as the primary front line support to the Program Participants and provides individual guidance when requested by the Program Participant, his or her representative, the State Contract Manager or staff of the Division of Disability Services.

#### **3.3.2 TRAINING OF COUNSELORS**

All staff assigned by the contractor to provide counseling services shall complete a three (3) day training course, provided by the State Contract Manager and staff from the Division of Disability Services prior to those counselors working with any Program Participants. This training will be provided at no cost to the contractor; however, the counselor's time attending the training will not be reimbursed by the State or by Medicaid. Counselors need only be trained once.

#### **3.3.3 STATE CONTRACT MANAGER AVAILABLE**

The State Contract Manager or other staff of from the Program will be available to assist the counselors with problem solving and consultations on an individual case basis during the term of the contract. The State Contract Manager or other staff from the Program will provide training, in-service education and support programs for the counselors during the term of the contract. The State Contract Manager will not any perform work specified in this contract that is the responsibility of the contractor.

#### **3.3.4 MATCHING COUNSELORS WITH PROGRAM PARTICIPANTS**

The contractor will be required to match a Program Participant with a trained counselor within 48 hours (two (2) business days) of receiving a referral from the Program. The counselor will be required to make the first contact via telephone within 48 hours of receiving the referral. The contractor will assign counselors to Program Participants as the contractor deem appropriate, however, the Program Participant will have the right to request a change in counselors. The State Contract Manager is responsible for maintaining a report of all consumer/counselor matches. The contractor is required to submit a report on these matches to the State Contract Manager on a biweekly basis.

#### **3.3.5 MAXIMUM CASELOADS**

The maximum caseload for a full-time trained counselor must not exceed 120 cases at any one point. The maximum caseload for a part-time (20-25 hours) trained counselor must not exceed 60 cases at any one point.

#### **3.3.6 RESPONSIBILITIES OF COUNSELORS**

Responsibilities of counselors include, but may not be limited to:

1. Explaining the components and operation of the Program to Program Participants;
2. Interviewing new Program Participants via the telephone, developing awareness of the Program Participant's personal care needs, and providing a minimum of quarterly home visits;
3. Providing a written recommendation to the State Contract Manager when a Program Participant's capabilities have declined to a point where it appears that the Program Participant needs to appoint a personal representative to assist the Program Participant with the demands of the program. The counselors shall interview prospective Program Participant representatives to determine the representative's suitability in assisting the Program Participant;
4. Gathering information and maintaining data on formal and informal support systems, community resources and personal care services that may be available to the Program Participant and sharing that information with Program Participants at their request;
5. Assisting Program Participants with the self-assessment process to determine the Program Participant's personal care needs and assisting in the Program Participant's development of a CMP. The counselor is involved in the approval of the initial and revised CMP, decisions of how the cash grant is spent must remain with the Program Participant.
6. Advising the Program Participant upon the request of the Program Participant or the State Contract Manager regarding:
  - i. the availability of services or equipment
  - ii. recruiting, hiring and discharging workers
  - iii. the role of the contractor
7. Assisting Program Participants in locating sources of training and technical assistance;
8. Interacting, collaborating and coordinating with the State Contract Manager and other staff within the Division of Disability Services.
9. Understanding the financial aspects of the program sufficiently to either answer questions directly or to direct the Program Participant to another contractor employee who is able to answer to a Program Participant's question.
10. Maintaining telephone contact with Program Participants on a monthly basis for the first six months of participation to ascertain that service needs are being met;
11. Conducting a monitoring visit every three months using program protocols and preparing a written report of findings and submit it to the State Contract Manager or other Division of Disability Services staff as directed by the State Contract Manager. The trained counselors must conduct at least one face-to-face interview with each Program Participant quarterly for a mandatory monitoring visit.
12. Maintaining a file on each Program Participant served, including documentation of all contacts with the Program Participant and contacts with other persons about or on behalf of the Program Participant. The counselors shall retain copies of self-assessment instruments and copies of all CMPs.
13. The Program Participant or a member of the Program Participant's family will nominate an individual to serve as the representative. The consultant will interview the proposed representative and make a recommendation to the State Contract Manager concerning the suitability of the representative. The State Contract Manager will make the final decision.
14. Assist the Program Participant in making arrangements to go back to agency services if they should decide that the Personal Preference Program is not the right program for them.
15. If a Program Participant should lose Medicaid eligibility while participating in the Program, the counselor will work with the State Contract Manager to help the consumer get Medicaid benefits reinstated. If the Program



Participants Medicaid benefits have been terminated, the counselor will work with the State Contract Manager to secure any other services that might be available to the Program Participant..

### **3.3.7 INITIAL DEVELOPMENT OF CASH MANAGEMENT PLAN AND ORIENTATION OF PROGRAM PARTICIPANTS**

Counselors shall orient and train Program Participants in how the Cash and Counseling program operates at the home of the Program Participant and shall explain all program aspects including, but not limited to, how cash grants are managed and shall provide information relating to the role of the contractor. The training includes discussions in the CMP and how to revise that plan. All the information that the counselor must discuss with Program Participants shall be provided in the training the counselors will receive from the staff from the Division of Disability Services.

Counselors shall also assist Program Participants in completing their initial CMP. The CMP is the budget document completed by the Program Participant that specifies how the cash grant will be spent, after the amount of the cash grant is known, but before receipt of the grant. The initial development of the CMP will occur in a meeting with the Program Participant and/or representative with the assistance of the counselor. It is a mandatory requirement that the CMP be completed before the expenditure of funds. The contractor shall be compensated for the initial orientation and training provided to Program Participants and for the effort to assist Program Participants in completing the initial CMP in accordance with the contract price.

NOTE: In providing consultation services to Program Participants, it is understood that neither the contractor nor the counselors will be accountable or responsible for the decisions made by the Program Participants when completing the CMP or when spending the grant.

Following the development of the initial CMP, each Program Participant may revise the CMP with the revision to take effect on the first of the month following the latest revision. If a CMP is not revised then the expenditure for each succeeding month will be governed by the initial or the most recently revised CMP. Program Participants may need the assistance of a counselor to revise the CMP. Payment for counselor services when assisting a Program Participant in revising the CMP shall be paid via the counselor fees as per the contract rate.

The counselors or other contractor staff shall be available to answer Program Participant questions regarding the CMP.

### **3.3.8 EMPLOYEE APPLICATION PACKAGE**

The counselors shall provide to the Program Participant with the employee application package and shall assist the Program Participant and any prospective domestic household employee with assistance as needed to complete all the relevant forms in this package. The contractor shall process all the forms completed by the Program Participant and the Program Participant's domestic household employee by either filing the forms with the appropriate agencies and/or by creating the internal documents and records needed to pay employees so that there is proper withholdings of taxes, benefits and other withholdings. The contractor will be compensated for all costs relating to providing the Program Participant with the employee application package, filing all the forms and preparing all records based on the employee application forms in accordance with the contract price.

### **3.3.9 LIMITATIONS ON COUNSELING SERVICES**

The following limits shall apply to counseling services:

1. No Program Participant shall receive more than 19 hours of counseling services (exclusive of the development of the initial CMP or any other service for which there is a payment mechanism in the contract) during the first twelve months of the Program.
2. After the first twelve months, no Program Participant shall receive more than 20 hours of counseling services in each subsequent 12-month period.

3. Individual exceptions to these limitations must be requested by the contractor, in writing, and are subject to prior approval and authorization from the State Contract Manager. Reimbursement will not be made for additional hours without prior written authorization from the State Contract Manager.

Services provided by the contractor or counselors shall be accessible to all Program Participants anywhere they reside in the twenty-one (21) counties of State of New Jersey. The contractor shall also provide counseling services to Program Participants even when the Program Participant is traveling temporarily out of state and the response to a question requires acceptance of out-of-state telephone calls and a response to an out-of-state location.

Counseling Services shall be paid on an hourly basis in accordance with the contract price for counseling services.

### **3.3.10 REPORTS**

The contractor shall generate a number of reports on a monthly, quarterly, annual and as needed basis for Program Participants and for the Program. The contractor shall provide reports that are clear and include all the required information. The reports shall be generated by the 15th day of the month following the reporting month. The Contractor shall produce such a report for each Program Participant monthly and quarterly and shall submit a copy to the State Contract Manager. The contractor must also be able to generate a mid-month report for Program Participants at the Program Participant's expense to those Program Participants that make a request by phone or in writing to the Contractor to purchase a mid-month report.

The contractor shall submit a copy of the report generated for all Program Participants to the State Contract Manager within the same time frame as they are distributed to Program Participants. The contractor shall also produce special reports as a special support service for the Department of Human Services' Division of Disability Services as requested. The contractor shall be paid for the preparation of special reports using the contract price for special support service.

The Contractor shall produce a monthly, quarterly and annual report for the Department of Human Services' Division of Disability Service that summarizes the activities of all Program Participants who incur and submit invoices for labor and non-labor related expenses. The contractor shall submit special reports on Program Participants that have expended amounts in excess of their monthly and year to date cash grant allocations. The contractor shall also submit a special report on those Program Participants who do not incur and submit any labor and non-labor related expenses for their monthly and year-to-date cash grant allocations. The cost of preparing and distributing all reports shall be included in the monthly contract price for payroll expenses for the Program Participants' employees as specified in the Price Schedule

#### **Program Participant/Counselor Report**

The Contractor shall maintain an accurate list of Program Participant/counselor matches and generate a biweekly report that identifies the Program Participant/counselor matches. At minimum, this report shall include the Program Participant's name, counselors name, counselors contact number, and the date in which the assignment was made. This report will be sent to the State Contract Manager.

#### **Workers Compensation Report**

This is a new report that will begin after the transition period. The Contractor shall create and submit a monthly report for the State Contract Manager which lists the Worker's Compensation Policies for all Program Participants. At a minimum, the list will include the Program Participant's name, Medicaid number, policy number and effective dates.

#### **Quarterly Monitoring Visit Report**

Counselors, during their quarterly monitoring visits, shall complete a written report of their findings on each Program Participant. The Quarterly Monitoring Visit report must be completed and submitted to the State Contract manager within 30 days of the Program Participant's quarterly anniversary.

### **3.4 PROGRAM MONITORING**

The State will monitor and evaluate the performance of the contractor during the course of the contract. The Director of the Division of Disability Services, the State Contract Manager or designee, will monitor the progress of the program using (but not limited to) the following criteria:

1. Results of satisfaction surveys of Program Participants, domestic household employees and vendors and input received from the Program Participant Advisory and Grievance Committees.
2. Content, clarity, conciseness and timeliness of reports;
3. Accuracy and timeliness of paying workers, vendors and other creditors;
4. Effectiveness of Program Participant training
5. Results from unannounced audits of payroll and related withholdings such as income tax, insurance, FICA, FUTA, advanced earned income credits and other withholdings. ,
6. Payments on non-labor related invoices
7. Organization of program records for accuracy
8. Timeliness of filings, deposits and payments;
9. Timeliness and accuracy of the consumer/counselor match report, and
10. Review of the Counselor Quarterly Reports.

### **3.5 GRANT DISBURSEMENTS, ADMINISTRATIVE ACCOUNT PAYMENTS, PARTICIPANT PAYMENTS**

The contractor shall obtain grant money from Unisys and distribute those funds into an administrative account and into individual accounts for the Program Participants.

The contractor shall be paid from the administrative account and from the participant's individual accounts. For most billable items related to this contract, the contractor will be paid from the administrative account. For other items, the contractor shall be paid from the Program Participant's individual account.

#### **3.5.1 GRANT DISBURSEMENT**

The State Contract Manager will provide the contractor with a separate statement that specifies the total amount of all the cash grants for all the Program Participants for the upcoming month. The contractor submits that statement to Unisys and Unisys will then transfer all the Medicaid money for all the Program Participants to the contractor.

The contractor shall divide the money. Ten (10) percent of all the grant money shall be set aside for administrative expenses which the contractor shall place in an administrative account. The contractor shall disburse the remaining ninety (90) percent of each Program Participant's grant into each Program Participant's account.

The turn around with Unisys is about one week. The turn around with the State Contract Manager is approximately fourteen (14) business days.

#### **3.5.2 ADMINISTRATIVE EXPENSES**

All of the contractor's administrative expenses for operating the Program should be included in the line items specified in the price schedule on pages 1, 3, and 5. As noted on the price schedules, the total bid price on these pages should approach, but not exceed, ten percent (10%) of the total Program budget for each year. The total estimated amount of the grants for each year and the ten percent (10%) administrative component of the grants to be allocated to the administrative account is provided on the Price Schedules. It has been program practice that any funds remaining in the Administrative Account at the end of each year are returned to Medicaid. Therefore, shifting expenses to other price schedule pages will not provide additional money for program participant services but rather cause the monies to be returned to Medicaid. The line items on the price schedule for which the contractor will be given permission to deduct from the administrative account are:

1. Orientation and Development of the Initial CMP - on a price per orientation/initial CMP basis.
2. Grant Disbursement – as specified in section 3.5.1 above.
3. Payroll Expenses – for the cost of processing the payroll of domestic household employees on a per month basis.

4. Employee Application Package Distribution – for distributing an employee application package to employees on a price per application package distributed basis
5. Employee Application Package Processing – after receipt of a completed application this is paid on a price per application processed basis.
6. Special Projects - on a price per hour per person basis as special projects are assigned by the State Contract Manager.
7. Counseling Services – on a price per counselor hour basis.
8. Special Support Services - for the Program Participant or employees including by way of example but not limited to worker's compensation audits, disability claims, unemployment claims, employment verifications mortgage application verifications, Department of Labor audits, and inquiries for food stamps, SSI, Section 8 and other housing programs on a price per person per hour basis.

At the end of the month, the contractor shall send an invoice to the State Contract Manager for all billable work performed that month, including grant disbursement that is paid from the administrative account. The State Contract Manager approves all (or part) of the contractor's invoice. For all approved amounts, the contractor is authorized to transfer the approved amount from the administrative account into the contractor's company accounts and in doing so the contractor is paid. Work related to transition periods are not billable unless specified herein.

### **3.5.3 BILLING THE PROGRAM PARTICIPANTS**

There are other expenses that will not be eligible for reimbursement from the administrative account. For these expenses specified on Price Schedule pages 2, 4, and 6, the contractor must bill each Program Participant's cash grant for reimbursement as if the contractor was any other vendor or domestic household employee. It is the intent of this contract that the amounts charged to Program Participants be modest, but that some program charges be paid by the Program Participants..

The following are the items that the contractor may bill the Program Participant's cash grant directly, with Program Participant approval:

1. Processing Payroll and Non-Payroll Checks – on a price per check basis as a modest charge for processing a check for both labor and non-labor products or services. This charge shall not exceed \$2.00 per check.
2. Stop Payment on Check – on a price per check stopped as the price to the Program Participant as the result of the Program Participant requesting the contractor to place a stop payment on a check issued by the contractor. .
3. Social Security Background Check – on a price per background check as the price of performing a Social Security background check of current or potential household employees at the behest of the Program Participant.
4. County Criminal Background Check – on a price per background check as the price of performing a county criminal background check of current or potential household employees at the behest of the Program Participant.
5. Statewide Criminal Background Check - on a price per background check as the price of performing a statewide criminal background check of current or potential household employees at the behest of the Program Participant.
6. Assist Employees Obtain Health Benefits – on a price per background check as the price of providing assistance to a Program Participant in the way of a referral for health benefits for the domestic household employee at the behest of the Program Participant.

7. Assist Employees Obtain Workers Compensation Insurance (for new applicants and renewals) – as the price of assisting Program Participants' domestic household employees obtain Workers Compensation Insurance at the request of the Program Participant. The cost of the Workers Compensation Premiums is the responsibility of the Program Participant and paid out of the Program Participants' cash allowance.

The amount billed for these services shall be at the contract rate. In billing Program Participants, the contractor shall itemize each transaction and the related transaction fee charged for services rendered in the statements provided Program Participants.

### **3.6 RESPONSIBILITIES OF THE STATE DEPARTMENT OF HUMAN SERVICES**

The responsibilities of the State Department of Human Services include:

1. Enrolling the contractor as a Medicaid provider and informing it of the procedure codes required to submit a claim to the Unisys for Program Participants' cash grant funds;
2. Informing the contractor of the name, social security number, Medicaid number, the authorized budget amount for each Program Participant and any additional information which is determined to be necessary for accurate management of enrollment data;
3. Informing the contractor of the name of Program Participants' representatives, when applicable, who will assume the management of the budget on behalf of the Program Participants;
4. Providing a list of cash grant amounts for each Program Participant to the contractor so the contractor can in turn submit invoices to Unisys.
5. Informing the contractor of those Program Participants who disenroll from the program. As of the disenrollment date, the contractor will no longer have authority to obtain any unused funds, including accumulated funds remaining in the Program Participant's account. All disenrolled Program Participants' funds, including accumulated funds, will be returned by the contractor to the State no later than ninety (90) days after the disenrollment effective date;
6. Establishing Program Participant eligibility criteria for participation in the Program;
7. Determining the monthly amount of the cash grant based on the current New Jersey Medicaid PCA reimbursement rates;
8. Notifying Program Participants of the program requirements, their authorized cash grant and approved CMP, cancellation or changes in service, and all other information regarding program eligibility;
9. Transmitting the amount of Program Participants' cash grant and any additional costs negotiated in the contract to the contractor via electronic payment transfer; and
10. Identifying a State Contract Manager or designee who will be available to assist in resolving any payment issues related to the services offered through the contract.

### **3.7 ENDING TRANSITION PERIOD**

The contractor shall perform the following services for the Program at the end of the contract period, should the contractor not be awarded the replacement contract awarded at the expiration of this contract. The contractor shall cooperate with the State Contract Manager and the replacement contractor during the transition period when this contract and the replacement contract overlap. (See item 6 immediately below and [Section 3.1.24.2](#) on payment during the transition to a new contractor). Those services shall include;

1. Producing a report summarizing all the program records that the contractor has relating to the Program and identifying the form of those files including if the files are paper files or electronic files. The report shall include the size of those files (number of file drawer space for all files) and the format of the electronic files (ie. Excel file, Peachtree file).

2. The contractor shall cooperate and assist the replacement contractor in identifying files and providing the replacement contractor with all information regarding access to any files and information relating to this contract with the express acknowledge and at the direction of the State Contract Manager.
3. The contractor shall attend any meetings set up at the request State Contract Manager for transition purposes.
4. The contractor shall cooperate with the replacement contractor and the State Contract Manager and transfer the remaining balances from all accounts to the replacement contractor or as otherwise directed by the State Contract Manager.
5. Since it anticipated that the program will be significantly larger at the end of this contract, the contractor shall assume that transition may take up to 90 days, during which time the contractor shall continue to perform all functions of the contract while assisting the replacement contractor in preparing to assume the duties of the Program. It is anticipated that the program will be significantly larger at the end of this contract so a 90 day transition time will be allowed at the end of the contract while a 60 day transition is provided at the beginning.
6. Upon notice by the State Contract Manager that the contract is being terminated and that a replacement contractor will be assuming the Program, the contractor shall supply to the State or the replacement contractor as directed all electronic and paper records, files, account balances and data that the contractor produced during the contract and deliver those records, in good order within thirty (30) days to either the State Office or to the office of the replacement contractor. The contractor shall bear all costs associated with copying records, transferring account balances and delivery to the State or a replacement contractor as overhead and may not bill the State for such transition expenses. See Section 4.4.4.3 entitled "Payments During Transition to a New Contractor",

### **3.8 RESPONSIBILITY FOR RECORDS AFTER CONTRACT ENDS**

If an incumbent contractor should lose this contract when the contract is reprocured, the responsibility to manage the program transfers to a new contractor. However, it is the intent of this contract that the former incumbent contractor will retain the responsibility to handle any audits or investigations of Program Participants and employees after the contract ends that cover the time the incumbent contractor was responsible for the Program Participant's and employee's records. There shall be no payment to the contractor for this post contract work, however, it will remain an ongoing obligation after formal term of the contract ends. The contractor shall include any projected costs for these audits in the price lines on the Price Schedule. The contractor shall retain copies of records to satisfy this requirement as long as legally required.

## 4.0 PROPOSAL PREPARATION AND SUBMISSION

### 4.1 GENERAL

The bidder must follow instructions contained in this RFP and in the bid signatory page (<http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml>) in preparing and submitting its bid proposal. The bidder is advised to thoroughly read and follow all instructions.

The information required to be submitted in response to this RFP has been determined to be essential in the bid evaluation and contract award process. Any qualifying statements made by the bidder to the RFP's requirements could result in a determination that the bidder's proposal is materially non-responsive. Each bidder is given wide latitude in the degree of detail it elects to offer or the extent to which plans, designs, systems, processes and procedures are revealed. Each bidder is cautioned, however, that insufficient detail may result in a determination that the bid proposal is materially non-responsive or, in the alternative, may result in a low technical score being given to the bid proposal.

The bidder is instructed to clearly identify any requirement of this RFP that the bidder cannot satisfy.

### 4.2 PROPOSAL DELIVERY AND IDENTIFICATION

In order to be considered, a bid proposal must arrive at the Purchase Bureau in accordance with the instructions on the RFP signatory page located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml>. Bidders submitting proposals are cautioned to allow adequate delivery time to ensure timely delivery of proposals. State regulation mandates that late bid proposals are ineligible for consideration. **THE EXTERIOR OF ALL BID RESPONSE PACKAGES MUST BE LABELED WITH THE BID IDENTIFICATION NUMBER, AND FINAL BID OPENING DATE.** All of this information is set forth at the top of the RFP signatory page located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml>.

### 4.3 NUMBER OF BID PROPOSAL COPIES

Each bidder must submit **one (1) complete ORIGINAL bid proposal**, clearly marked as the "ORIGINAL" bid proposal. Each bidder should submit **eight (8) full, complete and exact copies** of the original. The copies requested are necessary in the evaluation of the bid proposal. Bidders failing to provide the requested number of copies will be charged the cost incurred by the State in producing the requested number of copies. It is suggested that the bidder make and retain a copy of its bid proposal.

### 4.4 PROPOSAL CONTENT

The bid proposal should be submitted in one volume and that volume divided into four (4) sections as follows:

- Section 1 - Forms (Section 4.4.1)
- Section 2 - Technical Proposal (Section 4.4.2)
- Section 3 - Organizational Support and Experience (Section 4.4.3)
- Section 4 - Price schedule (Section 4.4.4)

The following Table describes the format of the bid proposal that should be prepared with tabs (separators), and the content of the material located behind each tab.

TAB	CONTENTS	RFP SECTION REFERENCE	DESCRIPTION
1	Forms	<a href="#">4.4.1.1</a>	Signatory page- completed and signed <a href="http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml">http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml</a>
		<a href="#">4.4.1.2</a>	Ownership Disclosure Form <a href="http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml">http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml</a>
		<a href="#">4.4.1.3</a>	Disclosure of Investigations and Actions Involving Bidder <a href="http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml">http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml</a>
		<a href="#">4.4.1.4</a>	MacBride Principles Certification <a href="http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml">http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml</a>
		<a href="#">4.4.1.5</a>	Affirmative Action Employee Information Report or New Jersey Affirmative Action Certificate <a href="http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml">http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml</a>
		<a href="#">4.4.1.6</a>	Business Registration from Division of Revenue NJ Standard Terms & Conditions: Section 1.1 <a href="http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml">http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml</a>
		<a href="#">4.4.1.8</a>	Notice of Intent to Subcontract Form and Subcontractor Utilization Plan <a href="http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml">http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml</a>
		<a href="#">4.4.1.9</a>	Source Disclosure Certification Form <a href="http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml">http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml</a>
		<a href="#">4.4.1.10</a>	Bid Bond
2	Technical Proposal	<a href="#">4.4.2.1</a>	Management Overview
		<a href="#">4.4.2.2</a>	Contract Management
		<a href="#">4.4.2.3</a>	Contract Schedule
		<a href="#">4.4.2.4</a>	Mobilization and Implementation Plan
		<a href="#">4.4.2.5</a>	Potential Problems
3	Organizational Support and Experience Proposal	<a href="#">4.4.3.1</a>	Location
		<a href="#">4.4.3.2</a>	Organization Chart (Contract Specific)
		<a href="#">4.4.3.3</a>	Resumes
		<a href="#">4.4.3.4</a>	Backup Staff
		<a href="#">4.4.3.5</a>	Organization Chart (Entire Firm)
		<a href="#">4.4.3.6</a>	Experience of Bidder on Contracts of Similar Size and Scope
		<a href="#">4.4.3.7</a>	Financial Capability of the Bidder
4	Price Schedule	<a href="#">4.4.3.8</a>	Subcontractor(s)
		<a href="#">4.4.4</a>	Price Schedules (Advertised Solicitation, Current Bid Opportunities webpage)

#### 4.4.1 SECTION 1 – FORMS

##### 4.4.1.1 SIGNATORY PAGE

The bidder shall complete and submit the Signatory page provided on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml>.

##### 4.4.1.2 OWNERSHIP DISCLOSURE FORM

In the event the bidder is a corporation or partnership, the bidder must complete the attached Ownership Disclosure Form. A completed Ownership Disclosure Form must be received prior to or accompany the bid proposal. Failure to do so will preclude the award of the contract.

The Ownership Disclosure Form is located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml>.

##### 4.4.1.3 DISCLOSURE OF INVESTIGATIONS/ACTIONS INVOLVING BIDDER



The bidder shall provide a detailed description of any investigation, litigation, including administrative complaints or other administrative proceedings, involving any public sector clients during the past five years including the nature and status of the investigation, and, for any litigation, the caption of the action, a brief description of the action, the date of inception, current status, and, if applicable, disposition. The bidder shall use the Disclosure of Investigations and Actions Involving Bidder form located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml>.

#### **4.4.1.4 MACBRIDE PRINCIPLES CERTIFICATION**

The bidder must complete the attached MacBride Principles Certification evidencing compliance with the MacBride Principles. Failure to do so may result in the award of the contract to another vendor.

The MacBride Principles Certification Form is located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml>.

#### **4.4.1.5 AFFIRMATIVE ACTION**

The bidder must complete the attached Affirmative Action Employee Information Report, or, in the alternative, supply either a New Jersey Affirmative Action Certificate or evidence that the bidder is operating under a Federally approved or sanctioned affirmative action program. The requirement is a precondition to entering into a valid and binding contract.

The Affirmative Action Forms are located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml>.

#### **4.4.1.6 BUSINESS REGISTRATION CERTIFICATE FROM THE DIVISION OF REVENUE**

**FAILURE TO SUBMIT A COPY OF THE BIDDER'S BUSINESS REGISTRATION CERTIFICATE (OR INTERIM REGISTRATION) FROM THE DIVISION OF REVENUE WITH THE BID PROPOSAL MAY BE CAUSE FOR REJECTION OF THE BID PROPOSAL.**

The bidder may go to [www.nj.gov/njbgs](http://www.nj.gov/njbgs) to register with the Division of Revenue or to obtain a copy of an existing Business Registration Certificate.

Refer to Section 1.1. of the NJ Standard Terms and Conditions located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml>, and Section 5.4 of this RFP for additional information concerning this requirement.

#### **4.4.1.7 EXECUTIVE ORDER 134**

Refer to Section 5.27 of this RFP for more details concerning this requirement.

#### **4.4.1.8 SET ASIDE CONTRACTS**

This is a contract with set aside subcontracting goals for Small Businesses. All bidders must include in their bid proposal a completed and signed **Notice of Intent to Subcontract** form located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml>. Bidders intending to utilize subcontractors must also include a completed and signed Subcontractor Utilization Plan form located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml>. Failure to submit the required forms shall result in a determination that the bid is materially non-responsive. Bidders seeking eligible small businesses should contact the New Jersey Commerce and Economic Growth Commission at (609) 292-2146.

#### **4.4.1.9 N.J.S.A. 52:34-13.2 SOURCE DISCLOSURE**

**THE BIDDER SHOULD SUBMIT WITH ITS BID PROPOSAL A COMPLETED SOURCE DISCLOSURE FORM.**

Refer to Section [5.28](#) and the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml> for more information concerning this new requirement.

**4.4.1.10 BID BOND**

Not Applicable.

**4.4.2 SECTION 2 - TECHNICAL PROPOSAL**

In this Section, the bidder shall describe its approach and plans for accomplishing the work outlined in the Scope of Work Section, i.e., Section 3.0. The bidder must set forth its understanding of the requirements of this RFP and its ability to successfully complete the contract. This Section of the bid proposal should contain at least the following information:

**4.4.2.1 MANAGEMENT OVERVIEW**

The bidder shall set forth its overall technical approach and plans to meet the requirements of the RFP in a narrative format. This narrative should convince the State that the bidder understands the objectives that the contract is intended to meet, the nature of the required work and the level of effort necessary to successfully complete the contract. This narrative should convince the State that the bidder's general approach and plans to undertake and complete the contract are appropriate to the tasks and subtasks involved.

Mere reiterations of RFP tasks and subtasks are strongly discouraged, as they do not provide insight into the bidder's ability to complete the contract. The bidder's response to this section should be designed to convince the State that the bidder's detailed plans and approach proposed to complete the Scope of Work are realistic, attainable and appropriate and that the bidder's bid proposal will lead to successful contract completion.

**4.4.2.2 CONTRACT MANAGEMENT**

The bidder should describe its specific plans to manage, control and supervise the contract to ensure satisfactory contract completion according to the required schedule. The plan should include the bidder's approach to communicate with the State Contract Manager including, but not limited to, status meetings, status reports, etc.

**4.4.2.3 CONTRACT SCHEDULE**

The bidder should include a contract schedule. If key dates are a part of this RFP, the bidder's schedule should incorporate such key dates and should identify the completion date for each task and sub-task required by the Scope of Work. Such schedule should also identify the associated deliverable item(s) to be submitted as evidence of completion of each task and/or subtask.

The bidder should identify the contract scheduling and control methodology to be used and should provide the rationale for choosing such methodology. The use of Gantt, PERT or other charts is at the option of the bidder.

**4.4.2.4 MOBILIZATION AND IMPLEMENTATION PLAN**

It is essential that the State move forward quickly to have the contract in place. Therefore, the bidder must include as part of its proposal a mobilization and implementation plan, beginning with the date of notification of contract award.

Such mobilization and implementation plan should include the following elements:

(a) A detailed timetable for the mobilization and implementation period. This timetable should be designed to demonstrate how the bidder will have the contract up and operational from the date of notification of award.

(b) The bidder's plan for the deployment and use of management, supervisory or other key personnel during the mobilization and implementation period. The plan should show all management, supervisory and key personnel that will be assigned to manage, supervise and monitor the bidder's mobilization and implementation of the contract.

**NOTE:** The bidder should clearly identify management, supervisory or other key staff that will be assigned only during the mobilization and implementation period.

The bidder's plan for recruitment of staff required to provide all services required by the RFP on the contract start date at the end of the mobilization and implementation period covering

The bidder should submit a plan for the purchase and distribution of equipment, inventory, supplies, materials, etc. that will be required to fully implement the contract on the required start date.

The bidder should submit a plan for the use of subcontractor(s), if any, on this contract. Emphasis should be on how any subcontractor identified will be involved in the mobilization and implementation plan.

#### **4.4.2.5 POTENTIAL PROBLEMS**

The bidder should set forth a summary of any and all problems that the bidder anticipates during the term of the contract. For each problem identified, the bidder should provide its proposed solution.

#### **4.4.3 SECTION 3 - ORGANIZATIONAL SUPPORT AND EXPERIENCE**

The bidder should include information relating to its organization, personnel, and experience, including, but not limited to, references, together with contact names and telephone numbers, evidencing the bidder's qualifications, and capabilities to perform the services required by this RFP. The bidder must show experience as a fiscal employer agent and experience working with consumers in a consumer directed model.

##### **4.4.3.1 LOCATION**

The bidder should include the location of the bidder's office that will be responsible for managing the contract. The bidder should include the telephone number and name of the individual to contact.

##### **4.4.3.2 ORGANIZATION CHART (CONTRACT SPECIFIC)**

The bidder should include a contract organization chart, with names showing management, supervisory and other key personnel (including sub-vendor's management, supervisory or other key personnel) to be assigned to the contract. The chart should include the labor category and title of each such individual.

##### **4.4.3.3 RESUMES**

Detailed resumes should be submitted for all management, supervisory and key personnel to be assigned to the contract. Resumes should be structured to emphasize relevant qualifications and experience of these individuals in successfully completing contracts of a similar size and scope to those required by this RFP. Resumes should include the following:

- Clearly identify the individual's previous experience in completing similar contracts.
- Beginning and ending dates should be given for each similar contract.
- A description of the contract should be given and should demonstrate how the individual's work on the completed contract relates to the individual's ability to contribute to successfully providing the services required by this RFP.
- With respect to each similar contract, the bidder should include the name and address of each reference together with a person to contact for a reference check and a telephone number.

##### **4.4.3.4 BACKUP STAFF**

The bidder should include a list of backup staff that may be called upon to assist or replace primary individuals assigned. Backup staff must be clearly identified as backup staff.

In the event the bidder must hire management, supervisory and/or key personnel if awarded the contract, the bidder should include, as part of its recruitment plan, a plan to secure backup staff in the event personnel initially recruited need assistance or need to be replaced during the contract term.

#### **4.4.3.5 ORGANIZATION CHART (ENTIRE FIRM)**

The bidder should include an organization chart showing the bidder's entire organizational structure. This chart should show the relationship of the individuals assigned to the contract to the bidder's overall organizational structure.

#### **4.4.3.6 EXPERIENCE OF BIDDER ON CONTRACTS OF SIMILAR SIZE AND SCOPE**

The bidder should provide a comprehensive listing of contracts of similar size and scope that it has successfully completed, as evidence of the bidder's ability to successfully complete the services required by this RFP. Emphasis should be placed on contracts that are similar in size and scope to the work required by this RFP. A description of all such contracts should be included and should show how such contracts relate to the ability of the firm to complete the services required by this RFP. For each such contract, the bidder should provide two names and telephone numbers of individuals for the other contract party. Beginning and ending dates should also be given for each contract.

#### **4.4.3.7 FINANCIAL CAPABILITY OF THE BIDDER**

In order to provide the State with the ability to judge the bidder's financial capacity and capabilities to undertake and successfully complete the contract, the bidder should submit certified financial statements to include a balance sheet, income statement and statement of cash flow, and all applicable notes for the most recent calendar year or the bidder's most recent fiscal year. If certified financial statements are not available, the bidder should provide either a reviewed or compiled statement from an independent accountant setting forth the same information required for the certified financial statements, together with a certification from the Chief Executive Officer and the Chief Financial Officer, that the financial statements and other information included in the statements fairly present in all material respects the financial condition, results of operations and cash flows of the bidder as of, and for, the periods presented in the statements. In addition, the bidder should submit a bank reference.

A bidder may designate specific financial information as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. Bidder may submit specific financial documents in a separate, sealed package clearly marked "Confidential-Financial Information" along with the Bid Proposal.

The State reserves the right to make the determination to accept the assertion and shall so advise the bidder.

#### **4.4.3.8 SUBCONTRACTOR(S)**

A. **All bidders** must complete the **Notice of Intent to Subcontract Form** whether or not they intend to utilize subcontractors in connection with the work set forth in this RFP. If the bidder intends to utilize subcontractor(s), then the **Subcontractor Utilization Plan** must also be submitted with the bid.

N.J.A.C. 17:13-4 and Executive Order 71 mandate that if the bidder proposes to utilize a subcontractor, the bidder must make a good faith effort to meet the set-aside subcontracting targets of awarding a total of twenty-five percent (25%) of the value of the contract to New Jersey-based, New Jersey Commerce and Economic Growth Commission registered small businesses, with a minimum of five (5) percent awarded to each of the three categories set forth below, and the balance of ten (10) percent spread across the three annual gross revenue categories: Category I – \$1 to \$500,000; Category II - \$500,001 to \$5,000,000; Category III - \$5,000,001 to \$12,000,000.

B. **Should the bidder choose to use subcontractors and fail to meet the Small Business Subcontracting targets set forth above, the bidder must submit documentation demonstrating its good faith effort to meet the targets with its bid proposal or within seven (7) business days upon request.**

- C. Should the bidder propose to utilize a subcontractor(s) to fulfill any of its obligations, the bidder shall be responsible for the subcontractor's(s): (a) performance; (b) compliance with all of the terms and conditions of the contract; and (c) compliance with the requirements of all applicable laws.
- D. The bidder must provide a detailed description of services to be provided by each subcontractor, referencing the applicable Section or Subsection of this RFP.
- E. The bidder should provide detailed resumes for each subcontractor's management, supervisory and other key personnel that demonstrate knowledge, ability and experience relevant to that part of the work which the subcontractor is designated to perform.
- F. The bidder should provide documented experience to demonstrate that each subcontractor has successfully performed work on contracts of a similar size and scope to the work that the subcontractor is designated to perform in the bidder's proposal.

#### **4.4.4 SECTION 4 - PRICE SCHEDULE**

The price schedule is located on the Advertised Solicitation, Current Bid Opportunities webpage, <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml>.

It is up to the bidder to determine how to divide costs among the price lines on the price schedule keeping in mind that direct costs to Program Participants should be kept to a minimum.

##### **4.4.4.1 PAYMENT DURING STARTUP TRANSITION AND ENDING TRANSITION**

There will be no lump sum payment to the contractor for work performed during the 60 day transition period. There will be no lump sum payment to the contractor for work performed during transition to a new contractor should the contractor not be awarded the successor contract.

##### **4.4.4.2 STARTUP TRANSITION PAYMENTS**

The only payments the contractor will receive during the startup transition will be for the services that are specified on the Price Schedules. It is expected that as the contractor assumes work from the incumbent contractor that the contractor will receive payment for:

Counseling Services - The initial visits with the Program Participants during the transition period and any other time spent assisting Program Participants, (see section 3.1.5), at the hourly rate price specified on the price schedule and,  
Grant Disbursement - All work specified in section 3.1.14 and as specified on the price schedule for grant disbursement.

Any other expenses for which there is no price line on the Price Schedules that the contractor may incur during the startup transition period shall be absorbed as overhead and distributed into price lines on the price schedule. See Section 3.5 of this scope of work for more information.

##### **4.4.4.3 PAYMENTS DURING TRANSITION TO A NEW CONTRACTOR**

The only payments for which the contractor will be eligible during the transition to a new contractor will be services specified on the Price Schedules. During transition to a new contractor, the contractor shall be paid for services performed as normal until work transitions to the new contractor.

Any expenses related to the cost of copying and delivering records or any other costs that the contractor may incur during the ending transition period shall be absorbed as overhead. See [Section 3.5](#) of this scope of work for more information. Also see [Section 3.9](#), item 6

##### **4.4.4.4 PRICE FOR THE EMPLOYEE APPLICATION PACKAGE**

There are two prices on the price schedule to cover work related to the Employee Application Package. 1) There is a line item for creating mailing and/or distributing the paper application to Program Participant and the Program Participant's domestic household employee and 2) the price for processing the completed forms in the

employee application package once returned from the Program Participant and/or the domestic household employee.

Failure to submit all requested pricing information may result in the bidder's proposal being considered materially non-responsive. Each bidder must hold its price(s) firm through issuance of contract to permit the completion of the evaluation of bid proposals received and the contract award process.

## 5.0 SPECIAL TERMS AND CONDITIONS

### 5.1 PRECEDENCE OF CONTRACTUAL TERMS AND CONDITIONS

The contract shall consist of this RFP, addenda to this RFP, the vendor's bid proposal, and the Division's Notice of Acceptance.

Unless specifically noted within this RFP, the Special Terms and Conditions, take precedence over the NJ Standard Terms and Conditions, located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml>.

In the event of a conflict between the provisions of this RFP, including the NJ Standard Terms and Conditions and the Special Terms and Conditions, and any addendum to the RFP, the addendum shall govern.

In the event of a conflict between the provisions of this RFP, including any addendum to this RFP, and the bidder's proposal, the RFP and/or the addendum shall govern.

### 5.2 STATE CONTRACT MANAGER

The State Contract Manager is the State employee responsible for the overall management and administration of the contract.

The State Contract Manager for this project will be identified at the time of execution of contract. At that time, the contractor will be provided with the State Contract Manager name, department, division, agency, address, telephone number, fax phone number, and email address.

#### 5.2.1 STATE CONTRACT MANAGER RESPONSIBILITIES

For an agency contract where only one State office uses the contract, the State Contract Manager will be responsible for engaging the contractor, assuring that Purchase Orders are issued to the contractor, directing the contractor to perform the work of the contract, approving the deliverables and approving payment vouchers. The State Contract Manager is the person that the contractor will contact **after the contract is executed** for answers to any questions and concerns about any aspect of the contract. The State Contract Manager is responsible for coordinating the use and resolving minor disputes between the contractor and any component part of the State Contract Manager's Department.

If the contract has multiple users, then the State Contract Manager shall be the central coordinator of the use of the contract for all Using Agencies, while other State employees engage and pay the contractor. All persons and agencies that use the contract must notify and coordinate the use of the contract with the State Contract Manager.

#### 5.2.2 OTHER DUTIES OF THE STATE CONTRACT MANAGER

The State Contract Manager shall have the following additional duties:

- a) If the State Contract Manager determines that the Contractor has failed to perform the work of the contract and is unable to resolve that failure to perform directly with the contractor, the State Contract Manager shall file a formal complaint with the Contract Compliance Unit in the Division of Purchase and Property and request that office to assist in the resolution the contract performance problem with the contractor.
- b) The State Contract Manager is responsible for arranging for contract extensions and preparing any re-procurement of the contract with the Purchase Bureau.
- c) The State Contract Manager is responsible for obtaining permission from the Director to reduce the scope of work, amend the contract or add work or special projects to the contract after contract award.
- d) The State Contract Manager is responsible for completion of the Project Performance Assessment Form for submission to the CCAU Unit of the Division, with a copy to the Associate Director of OMB; the Project Performance Assessment Form shall be submitted annually for multi-year contracts and at their completion.

For contracts of one (1) year or less, the Project Performance Assessment Form shall be submitted within six (6) months of signing and at project completion.

- e) The State Contract Manager is responsible for submitting the Contractor final deliverables to the Associate Director of OMB.
- f) The State Contract Manager is also responsible to formally report, to the Division of Purchase and Property's Assistant Director, CCAU, using the PB-36 Formal Complaint form, all instances when deliverables, i.e. commodities and/or services, are not in accordance with the contract specifications or scope of work. Variances from contract pricing shall be reported in this same manner to ensure that State and other using agencies receive the goods and/or services at the pricing established at the time of contract award or amendment(s) to the contract.

### **5.2.3 COORDINATION WITH THE STATE CONTRACT MANAGER**

Any contract user that is unable to resolve disputes with a contractor shall refer those disputes to the State Contract Manager for resolution. Any questions related to performance of the work of the contract by contract users shall be directed to the State Contract Manager. The contractor may contact the State Contract Manager if the contractor can not resolve a dispute with contract users.

### **5.3 PERFORMANCE BOND**

Not Applicable.

### **5.4 BUSINESS REGISTRATION**

The following shall supplement Section 1.1 in the NJ Standard Terms and Conditions pertaining to Business Registration located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml>.

"Affiliate" means any entity that (1) directly, indirectly, or constructively controls another entity, (2) is directly, indirectly, or constructively controlled by another entity, or (3) is subject to the control of a common entity. An entity controls another entity if it owns, directly or individually, more than 50% of the ownership in that entity.

"Business organization" means an individual, partnership, association, joint stock company, trust, corporation, or other legal business entity or successor thereof;

"Business registration" means a business registration certificate issued by the Department of the Treasury or such other form or verification that a contractor or subcontractor is registered with the Department of Treasury;

"Contractor" means a business organization that seeks to enter, or has entered into, a contract to provide goods or services with a contracting agency;

"Contracting agency" means the principal departments in the Executive Branch of the State Government, and any division, board, bureau, office, commission or other instrumentality within or created by such department, or any independent State authority, commission, instrumentality or agency, or any State college or university, any county college, or any local unit; with respect to this Contract, the contracting agency shall mean the Division;

"Subcontractor" means any business organization that is not a contractor that knowingly provides goods or performs services for a contractor or another subcontractor in the fulfillment of a contract.

A bidder shall submit a copy of its business registration at the time of submission of its bid proposal in response to this RFP.

A subcontractor shall provide a copy of its business registration to any contractor who shall forward it to the contracting agency. No contract with a subcontractor shall be entered into by any contractor unless the subcontractor first provides proof of valid business registrations.

The contractor shall provide written notice to all subcontractors that they are required to submit a copy of their business registration to the contractor. The contractor shall maintain a list of the names of any subcontractors



and their current addresses, updated as necessary during the course of the contract performance. The contractor shall submit to the contracting agency a copy of the list of subcontractors, updated as necessary during the course of performance of the contract. The contractor shall submit a complete and accurate list of the subcontractors to the contracting agency before a request for final payment is made to the using agency.

The contractor and any subcontractor providing goods or performing services under the contract, and each of their affiliates, shall, during the term of the contract, collect and remit to the Director of the Division of Taxation in the Department of the Treasury the use tax due pursuant to the "Sales and Use Tax Act, P.L. 1966, c. 30 (N.J.S.A. 54:32B-1 et seq.) on all their sales of tangible personal property delivered into the State.

This paragraph shall apply to all contracts awarded on and after September 1, 2004

## **5.5 CONTRACT TERM AND EXTENSION OPTION**

The term of the contract shall be for a period of **three (3)** years. The anticipated "Contract Effective Date" is provided on the signatory page of this RFP located on the Advertised Solicitation, Current Bid Opportunities webpage, <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml>. If delays in the bid process result in an adjustment of the anticipated Contract Effective Date, the bidder agrees to accept a contract for the full term of the contract.

The contract may be extended for **two (2)** additional periods of up to one (1) year, by mutual written consent of the contractor and the Director at the same terms, conditions and pricing. The length of each extension shall be determined when the extension request is processed.

Should the contract be extended, the contractor shall be paid at the rates in effect in the last year of the contract.

## **5.6 CONTRACT TRANSITION**

In the event services end by either contract expiration or termination, it shall be incumbent upon the contractor to continue services, if requested by the Director, until new services can be completely operational. The contractor acknowledges its responsibility to cooperate fully with the replacement contractor and the State to ensure a smooth and timely transition to the replacement contractor. Such transitional period shall not extend more than ninety (90) days beyond the expiration date of the contract, or any extension thereof. The contractor will be reimbursed for services during the transitional period at the rate in effect when the transitional period clause is invoked by the State.

## **5.7 AVAILABILITY OF FUNDS**

The State's obligation to pay the contractor is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the State for payment of any money shall arise unless funds are made available each fiscal year to the Using Agency by the Legislature.

## **5.8 CONTRACT AMENDMENT**

Any changes or modifications to the terms of the contract shall only be valid when they have been reduced to writing and executed by the contractor and the Director.

## **5.9 CONTRACTOR RESPONSIBILITIES**

The contractor shall have sole responsibility for the complete effort specified in the contract. Payment will be made only to the contractor. The contractor shall have sole responsibility for all payments due any subcontractor.

The contractor is responsible for the professional quality, technical accuracy and timely completion and submission of all deliverables, services or commodities required to be provided under the contract. The contractor shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in its deliverables and other services. The approval of deliverables furnished under this contract shall not in any way relieve the contractor of responsibility for the technical adequacy of its work. The review, approval, acceptance or payment for any of the services shall not be construed as a waiver of any rights that the State may have arising out of the contractor's performance of this contract.

## 5.10 SUBSTITUTION OF STAFF

If it becomes necessary for the contractor to substitute any management, supervisory or key personnel, the contractor will identify the substitute personnel and the work to be performed.

The contractor must provide detailed justification documenting the necessity for the substitution. Resumes must be submitted evidencing that the individual(s) proposed as substitution(s) have qualifications and experience equal to or better than the individual(s) originally proposed or currently assigned.

The contractor shall forward a request to substitute staff to the State Contract Manager for consideration and approval. No substitute personnel are authorized to begin work until the contractor has received written approval to proceed from the State Contract Manager.

## 5.11 SUBSTITUTION OR ADDITION OF SUBCONTRACTOR(S)

This Subsection serves to supplement but not to supersede Section 3.11 of the NJ Standard Terms and Conditions located on the Advertised Solicitation, Current Bid Opportunities webpage.

If it becomes necessary for the contractor to substitute a subcontractor, add a subcontractor or substitute its own staff for a subcontractor, the contractor will identify the proposed new subcontractor or staff member(s) and the work to be performed. The contractor must provide detailed justification documenting the necessity for the substitution or addition.

The contractor must provide detailed resumes of its proposed replacement staff or of the proposed subcontractor's management, supervisory and other key personnel that demonstrate knowledge, ability and experience relevant to that part of the work which the subcontractor is to undertake.

The qualifications and experience of the replacement(s) must equal or exceed those of similar personnel proposed by the contractor in its bid proposal.

The contractor shall forward a written request to substitute or add a subcontractor or to substitute its own staff for a subcontractor to the State Contract Manager for consideration. If the State Contract Manager approves the request, the State Contract Manager will forward the request to the Director for final approval.

No substituted or additional subcontractors are authorized to begin work until the contractor has received written approval from the Director.

## 5.12 OWNERSHIP OF MATERIAL

All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the contract, including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the services required under this contract shall be and remain the property of the State of New Jersey and shall be delivered to the State of New Jersey upon 30 days notice by the State. With respect to software computer programs and/or source codes developed for the State, the work shall be considered "work for hire", i.e., the State, not the contractor or subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed. To the extent that any of such materials may not, by operation of the law, be a work made for hire in accordance with the terms of this Agreement, contractor or subcontractor hereby assigns to the State all right, title and interest in and to any such material, and the State shall have the right to obtain and hold in its own name and copyrights, registrations and any other proprietary rights that may be available.

Should the bidder anticipate bringing pre-existing intellectual property into the project, the intellectual property must be identified in the bid proposal. Otherwise, the language in the first paragraph of this section prevails. If the bidder identifies such intellectual property ("Background IP") in its bid proposal, then the Background IP owned by the bidder on the date of the contract, as well as any modifications or adaptations thereto, remain the property of the bidder. Upon contract award, the bidder or contractor shall grant the State a non-exclusive, perpetual royalty free license to use any of the bidder/contractor's Background IP delivered to the State for the purposes contemplated by the Contract.

### 5.13 DATA CONFIDENTIALITY

All financial, statistical, personnel and/or technical data supplied by the State to the contractor are confidential. The contractor is required to use reasonable care to protect the confidentiality of such data. Any use, sale or offering of this data in any form by the contractor, or any individual or entity in the contractor's charge or employ, will be considered a violation of this contract and may result in contract termination and the contractor's suspension or debarment from State contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution.

### 5.14 NEWS RELEASES

The contractor is not permitted to issue news releases pertaining to any aspect of the services being provided under this contract without the prior written consent of the Director.

### 5.15 ADVERTISING

The contractor shall not use the State's name, logos, images, or any data or results arising from this contract as a part of any commercial advertising without first obtaining the prior written consent of the Director.

### 5.16 LICENSES AND PERMITS

The contractor shall obtain and maintain in full force and effect all required licenses, permits, and authorizations necessary to perform this contract. The contractor shall supply the State Contract Manager with evidence of all such licenses, permits and authorizations. This evidence shall be submitted subsequent to the contract award. All costs associated with any such licenses, permits and authorizations must be considered by the bidder in its bid proposal.

### 5.17 CLAIMS AND REMEDIES

#### 5.17.1 CLAIMS

All claims asserted against the State by the contractor shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq., and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq.

#### 5.17.2 REMEDIES

Nothing in the contract shall be construed to be a waiver by the State of any warranty, expressed or implied, of any remedy at law or equity, except as specifically and expressly stated in a writing executed by the Director.

#### 5.17.3 REMEDIES FOR NON-PERFORMANCE

In the event the contractor fails to comply with any material contract requirement, the Director may take steps to terminate the contract in accordance with the State Administrative Code. In this event, the Director may authorize the delivery of contract items by any available means, with the difference between the price paid and the defaulting contractor's price either being deducted from any monies due the defaulting contractor or being an obligation owed the State by the defaulting contractor.

### 5.18 LATE DELIVERY

The contractor must immediately advise the State Contract Manager of any circumstance or event that could result in late completion of any task or subtask called for to be completed on a date certain.

### 5.19 RETAINAGE

Not Applicable.

## **5.20 STATE'S OPTION TO REDUCE SCOPE OF WORK**

The State has the option, in its sole discretion, to reduce the scope of work for any task or subtask called for under this contract. In such an event, the Director shall provide advance written notice to the contractor.

Upon receipt of such written notice, the contractor will submit, within five (5) working days to the Director and the State Contract Manager, an itemization of the work effort already completed by task or subtask. The contractor shall be compensated for such work effort according to the applicable portions of its price schedule.

## **5.21 SUSPENSION OF WORK**

The State Contract Manager may, for valid reason, issue a stop order directing the contractor to suspend work under the contract for a specific time. The contractor shall be paid until the effective date of the stop order. The contractor shall resume work upon the date specified in the stop order, or upon such other date as the State Contract Manager may thereafter direct in writing. The period of suspension shall be deemed added to the contractor's approved schedule of performance. The Director and the contractor shall negotiate an equitable adjustment, if any, to the contract price.

## **5.22 CHANGE IN LAW**

Whenever an unforeseen change in applicable law or regulation affects the services that are the subject of this contract, the contractor shall advise the State Contract Manager and the Director in writing and include in such written transmittal any estimated increase or decrease in the cost of its performance of the services as a result of such change in law or regulation. The Director and the contractor shall negotiate an equitable adjustment, if any, to the contract price.

## **5.23 CONTRACT PRICE INCREASE (PREVAILING WAGE)**

If the Prevailing Wage Act (N.J.S.A. 34:11-56 et seq.) is applicable to the contract, the contractor may apply to the Director, on the anniversary of the effective date of the contract, for a contract price increase. The contract price increase will be available only for an increase in the prevailing wages of trades and occupations covered under this contract during the prior year. The contractor must substantiate with documentation the need for the increase and submit it to the Director for review and determination of the amount, if any, of the requested increase, which shall be available for the upcoming contract year. No retroactive increases will be approved by the Director.

## **5.24 ADDITIONAL WORK AND/OR SPECIAL PROJECTS**

The contractor shall not begin performing any additional work or special projects without first obtaining written approval from both the State Contract Manager and the Director.

In the event of additional work and/or special projects, the contractor must present a written proposal to perform the additional work to the State Contract Manager. The proposal should provide justification for the necessity of the additional work. The relationship between the additional work and the base contract work must be clearly established by the contractor in its proposal.

The contractor's written proposal must provide a detailed description of the work to be performed broken down by task and subtask. The proposal should also contain details on the level of effort, including hours, labor categories, etc., necessary to complete the additional work.

The written proposal must detail the cost necessary to complete the additional work in a manner consistent with the contract. The written price schedule must be based upon the hourly rates, unit costs or other cost elements submitted by the contractor in the contractor's original bid proposal submitted in response to this RFP. Whenever possible, the price schedule should be a firm, fixed cost to perform the required work. The firm fixed price should specifically reference and be tied directly to costs submitted by the contractor in its original bid proposal. A payment schedule, tied to successful completion of tasks and subtasks, must be included.

Upon receipt and approval of the contractor's written proposal, the State Contract Manager shall forward same to the Director for the Director's written approval. Complete documentation from the Using Agency, confirming

the need for the additional work, must be submitted. Documentation forwarded by the State Contract Manager to the Director must all include all other required State approvals, such as those that may be required from the State of New Jersey's Office of Management and Budget (OMB) and Office of Information and Technology (OIT).

No additional work and/or special project may commence without the Director's written approval. In the event the contractor proceeds with additional work and/or special projects without the Director's written approval, it shall be at the contractor's sole risk. The State shall be under no obligation to pay for work performed without the Director's written approval.

## **5.25 FORM OF COMPENSATION AND PAYMENT**

A special payment system is specified in the Scope of Work, [Section 3.5.1](#).

In addition, primary contractors must provide, on a monthly and cumulative basis, a breakdown in accordance with the budget submitted, of all monies paid to any small business subcontractor(s). This breakdown shall be sent to the Purchase Bureau Business Unit, Set-Aside Coordinator.

Payment can only be made for work when it has received all required written approvals and has been satisfactorily completed.

### **5.25.1 PAYMENT TO CONTRACTOR - OPTIONAL METHOD**

Not Applicable.

## **5.26 CONTRACT ACTIVITY REPORT**

Not Applicable.

## **5.27 REQUIREMENTS OF EXECUTIVE ORDER 134**

In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the award of State contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, Executive Order 134 was signed on September 22, 2004 ("EO 134"). Pursuant to the requirements of EO 134, the terms and conditions set forth in this section are material terms of any contract resulting from this RFP:

### **5.27.1 DEFINITIONS**

For the purpose of this section, the following shall be defined as follows:

a) Contribution – means a contribution reportable as a recipient under "The New Jersey Campaign Contributions and Expenditures Reporting Act." P.L. 1973, c. 83 (C.19:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq. Through December 31, 2004, contributions in excess of \$400 during a reporting period were deemed "reportable" under these laws. As of January 1, 2005, that threshold was reduced to contributions in excess of \$300.

b) Business Entity – means any natural or legal person, business corporation, professional services corporation, Limited Liability Company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction. It also includes (i) all principals who own or control more than 10 percent of the profits or assets of a business entity or 10 percent of the stock in the case of a business entity that is a corporation for profit, as appropriate; (ii) any subsidiaries directly or indirectly controlled by the business entity; (iii) any political organization organized under 26 U.S.C.A. 527 that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (iv) if a business entity is a natural person, that person's spouse or child, residing in the same household.

### **5.27.2 BREACH OF TERMS OF EXECUTIVE ORDER 134**

It shall be a breach of the terms of the contract for the Business Entity to (i) make or solicit a contribution in violation of this Order, (ii) knowingly conceal or misrepresent a contribution given or received; (iii) make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution; (iv) make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate of holder of the public office of Governor, or to any State or county party committee; (v) engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of EO 134; (vi) fund contributions made by third parties, including consultants, attorneys, family members, and employees; (vii) engage in any exchange of contributions to circumvent the intent of EO 134; or (viii) directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of EO 134.

### **5.27.3 CERTIFICATION AND DISCLOSURE REQUIREMENTS**

a) The State shall not enter into a contract to procure from any Business Entity services or any material, supplies or equipment, or to acquire, sell or lease any land or building, where the value of the transaction exceeds \$17,500, if that Business Entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions to a candidate committee and/or election fund of any candidate for or holder of the public office of Governor, or to any State or county political party committee during certain specified time periods

b) Prior to awarding any contract or agreement to any Business Entity, the Business Entity proposed as the intended awardee of the contract shall submit the Certification and Disclosure form, certifying that no contributions prohibited by Executive Order 134 have been made by the Business Entity and reporting all contributions the Business Entity made during the preceding four years to any political organization organized under 26 U.S.C.527 of the Internal Revenue Code that also meets the definition of a "continuing political committee" within the mean of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7. The required form and instructions, available for review on the Purchase Bureau website at

<http://www.state.nj.us/treasury/purchase/forms.htm#eo134> , shall be provided to the intended awardee for completion and submission to the Purchase Bureau with the Notice of Intent to Award. Upon receipt of a Notice of Intent to Award a Contract, the intended awardee shall submit to the Division, in care of the Purchase Bureau Buyer, the Certification and Disclosure(s) within five (5) business days of the State's request. Failure to submit the required forms will preclude award of a contract under this RFP, as well as future contract opportunities.

c) Further, the Contractor is required, on a continuing basis, to report any contributions it makes during the term of the contract, and any extension(s) thereof, at the time any such contribution is made. The required form and instructions, available for review on the Purchase Bureau website at <http://www.state.nj.us/treasury/purchase/forms.htm#eo134> , shall be provided to the intended awardee with the Notice of Intent to Award.

### **5.27.4 STATE TREASURER REVIEW**

The State Treasurer or his designee shall review the Disclosures submitted pursuant to this section, as well as any other pertinent information concerning the contributions or reports thereof by the intended awardee, prior to award, or during the term of the contract, by the contractor. If the State Treasurer determines that any contribution or action by the contractor constitutes a breach of contract that poses a conflict of interest in the awarding of the contract under this solicitation, the State Treasurer shall disqualify the Business Entity from award of such contract.

### **5.28 REQUIREMENTS OF N.J.S.A. 52:34-13.2**

Under the referenced statute, effective August 5, 2005, all contracts primarily for services awarded by the Director shall be performed within the United States, except when the Director certifies in writing a finding that a required service cannot be provided by a contractor or subcontractor within the United States and the certification is approved by the State Treasurer.

### **5.28.1 SOURCE DISCLOSURE REQUIREMENTS**

Pursuant to the statutory requirements, all bidders seeking a contract primarily for services with the State of New Jersey must disclose the location by country where services under the contract, including subcontracted services, will be performed.

If any of the services cannot be performed within the United States, the bidder shall state with specificity the reasons why the services cannot be so performed. The Director shall determine whether sufficient justification has been provided by the bidder to form the basis of his certification that the services cannot be performed in the United States and whether to seek the approval of the Treasurer.

Accordingly, the bidder should submit with its bid proposal the Source Disclosure Certification form located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml>. If the information is not submitted with the bid proposal, it shall be submitted within five (5) business days of the State's request for the information.

**FAILURE TO SUBMIT SOURCING INFORMATION WHEN REQUESTED BY THE STATE SHALL PRECLUDE AWARD OF A CONTRACT TO THE BIDDER.**

### **5.28.2 BREACH OF CONTRACT FOR SHIFT OF SERVICES OUTSIDE THE UNITED STATES**

**A SHIFT TO PROVISION OF SERVICES OUTSIDE THE UNITED STATES DURING THE TERM OF THE CONTRACT SHALL BE DEEMED A BREACH OF CONTRACT.**

If, during the term of the contract, the contractor or subcontractor, who had on contract award declared that services would be performed in the United States, proceeds to shift the performance of the services outside the United States, the contractor shall be deemed to be in breach of its contract, which contract shall be subject to termination for cause pursuant to Section 3.5b.1 of the Standard Terms and Conditions of the RFP, unless previously approved by the Director and the Treasurer.

## **6.0 PROPOSAL EVALUATION/CONTRACT AWARD**

### **6.1 PROPOSAL EVALUATION COMMITTEE**

Bid proposals may be evaluated by an Evaluation Committee composed of members of affected departments and agencies together with representative(s) from the Purchase Bureau. Representatives from other governmental agencies may also serve on the Evaluation Committee. On occasion, the Evaluation Committee may choose to make use of the expertise of outside consultant in an advisory role.

### **6.2 ORAL PRESENTATION AND/OR CLARIFICATION OF BID PROPOSAL**

After the submission of bid proposals, unless requested by the State, contact with the State is limited to status inquiries only and such inquiries are only to be directed to the buyer. Any further contact or information about the proposal to the buyer or any other State official connected with the solicitation will be considered an impermissible supplementation of the bidder's bid proposal.

A bidder may be required to give an oral presentation to the Evaluation Committee concerning its bid proposal. The Evaluation Committee may also require a bidder to submit written responses to questions regarding its bid proposal.

The purpose of such communication with a bidder, either through an oral presentation or a letter of clarification, is to provide an opportunity for the bidder to clarify or elaborate on its bid proposal. Original bid proposals submitted, however, cannot be supplemented, changed, or corrected in any way. No comments regarding other bid proposals are permitted. Bidders may not attend presentations made by their competitors.

It is within the Evaluation Committee's discretion whether to require a bidder to give an oral presentation or require a bidder to submit written responses to questions regarding its bid proposal. Action by the Evaluation Committee in this regard should not be construed to imply acceptance or rejection of a bid proposal. The Purchase Bureau buyer will be the sole point of contact regarding any request for an oral presentation or clarification.

### **6.3 EVALUATION CRITERIA**

The following evaluation criteria categories, not necessarily listed in order of significance, will be used to evaluate bid proposals received in response to this RFP. The evaluation criteria categories may be used to develop more detailed evaluation criteria to be used in the evaluation process:

#### **6.3.1 TECHNICAL EVALUATION CRITERIA**

- A. The bidder's general approach and plans in meeting the requirements of this RFP.
- B. The bidder's detailed approach and plans to perform the services required by the Scope of Work of this RFP.
- C. The bidder's documented experience in successfully completing contracts of a similar size and scope to the work required by this RFP.
- D. The qualifications and experience of the bidder's management, supervisory or other key personnel assigned to the contract, with emphasis on documented experience in successfully completing work on contracts of similar size and scope to the work required by this RFP.
- E. The overall ability of the bidder to mobilize, undertake and successfully complete the contract. This judgment will include, but not be limited to, the following factors: the number and qualifications of management, supervisory and other staff proposed by the bidder to complete the contract, the availability and commitment to the contract of the bidder's management, supervisory and other staff proposed and the bidder's contract management plan, including the bidder's contract organizational chart.



### 6.3.2 BIDDER'S PRICE SCHEDULE

For evaluation purposes, bidders will be ranked according to the total bid price located on the Price Sheet located on the Advertised Solicitation, Current Bid Opportunities webpage, <http://www.state.nj.us/treasury/purchase/bid/summary/06x38314.shtml>.

In the evaluation of price the Evaluation Committee will also take into account the bidders

### 6.3.3 BID DISCREPANCIES

In evaluating bids, discrepancies between words and figures will be resolved in favor of words. Discrepancies between unit prices and totals of unit prices will be resolved in favor of unit prices. Discrepancies in the multiplication of units of work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated total of multiplied unit prices and units of work and the actual total will be resolved in favor of the actual total. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the corrected sum of the column of figures.

### 6.4 NEGOTIATION AND BEST AND FINAL OFFER (BAFO)

Following the opening of bid proposals, the State reserves the right, pursuant to N.J.S.A. 52:34-12(f), to negotiate: the technical services offered, the terms and conditions and/or the price of a proposed contract award with any bidder. In addition, the State reserves the right to seek a Best and Final Offer (BAFO) from one or more bidders. In response to the State's request to negotiate, bidders must continue to satisfy all mandatory RFP requirements but may improve upon their original technical proposal in any revised technical proposal. However, any revised technical proposal that does not continue to satisfy all mandatory requirements will be rejected as non-responsive and the original technical proposal will be used for any further evaluation purposes, in accordance with the following procedure.

The Evaluation Committee will conduct an initial review and determine whether and with which bidder(s) it will negotiate, and will communicate its request to each such bidder. In response, the bidder will submit any required revisions to its proposal.

In response to the State's request for a BAFO, bidders may submit a revised price proposal that is equal to or lower in price than their original submission, but must continue to satisfy all mandatory requirements. Any revised price proposal that is higher in price than the original will be rejected as non-responsive and the original bid will be used for any further evaluation purposes.

After receipt of the results of the negotiation and/or the BAFO(s), the Evaluation Committee will complete its evaluation and recommend to the Director for award that responsible bidder(s) whose bid proposal, confirming to this RFP, is most advantageous to the State, price and other factors considered.

All contacts, records of initial evaluations, any correspondence with bidders related to any request for negotiation or BAFO, any revised technical and/or price proposals, the Evaluation Committee Report and the Award Recommendation, will remain confidential until a Notice of Intent to Award a contract is issued.

### 6.5 CONTRACT AWARD

The contract shall be awarded with reasonable promptness by written notice to that responsible bidder whose bid proposal, conforming to the RFP, will be most advantageous to the State, price and other factors considered. Any or all bids may be rejected when the State Treasurer or the Director of the Division of Purchase and Property determines that it is in the public interest so to do.